

5. True and correct copies of the pleadings and other documents on file in the state court proceeding are attached hereto as follows:

<u>Exhibit</u>	<u>Date</u>	<u>Filing</u>
A	08/19/2019	Case Summary for Case No. DC19-17645
B	08/09/2019	Plaintiff's Original Petition and Verified Application for Injunctive Relief
C	08/15/2019	Citation with Affidavit of Service for Performance Drilling Company
D	08/19/2019	Motion to Dissolve Temporary Restraining Order
E	08/19/2019	Defendant's Original Answer

6. In addition, Performance received a copy of a signed Temporary Restraining Order dated August 9, 2019 which is attached as Exhibit F. Such order is not reflected in the Court's records and Performance has not been served with a Writ of Injunction and does not have information regarding the posting of the bond required to make the order effective.

7. The Defendant was served with the state court petition and citation on August 13, 2019. This Notice of Removal is filed within thirty (30) days of service of the petition and citation.

8. Written notice of the filing of this Notice of Removal and a copy of this Notice of Removal are being served upon the Plaintiff through its counsel of record and will be filed with 109th Judicial District Court of Winkler County, Texas.

WHEREFORE, PREMISES CONSIDERED, Performance prays that this honorable Court accept jurisdiction of this action.

Respectfully submitted,

/s/ Jeffrey R. Seckel [2019-08-20]

JEFFREY R. SECKEL

Texas Bar Number 17973200

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ATTORNEY FOR DEFENDANT

CERTIFICATE OF SERVICE

I, Jeffrey R. Seckel, certify that on August 20, 2019, my office served the foregoing document, via electronic service, facsimile or certified, return receipt requested US Mail, on:

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Attorneys for Plaintiff

/s/ Jeffrey R. Seckel [2019-08-20]

JEFFREY R. SECKEL

109TH DISTRICT COURT

CASE SUMMARY**CASE NO. DC19-17645**

Nabors Drilling Technologies USA, Inc. d/b/a Canrig
Drilling Technology, Ltd. vs. Performance Drilling
Company, LLC

§
§
§
§

Location: **109th District Court**
Judicial Officer: **Pool, John**
Filed on: **08/08/2019**

CASE INFORMATION

Case Type: **Contract -
Consumer/Commercial/Debt**

DATE**CASE ASSIGNMENT****Current Case Assignment**

Case Number DC19-17645
Court 109th District Court
Date Assigned 08/08/2019
Judicial Officer Pool, John

PARTY INFORMATION**Plaintiff**

Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology,
Ltd.,

Lead Attorneys

Green, Kenneth P.
Retained
713-335-4800(W)

Defendant

Performance Drilling Company, LLC

Seckel, Jeffrey R.
Retained
214-954-6800(W)

DATE**EVENTS & ORDERS OF THE COURT****INDEX**

08/08/2019



Original Petition (OCA)

Pltff's Original Petition & Verified Application for Injunctive Relief (exhibits A thru D)

08/09/2019

Citation

Performance Drilling Company, LLC

Served: 08/12/2019

08/19/2019



ORIGINAL ANSWER

Performance Drilling Co's by Jeffrey R. Seckel

08/19/2019



MOTION

Def't's Motion to Dissolve TRO (Seckel)

08/21/2019

Temporary Restraining Order Hearing (1:00 PM)

1:00 pm

DATE**FINANCIAL INFORMATION**

Plaintiff Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling
Technology, Ltd.

Total Charges

285.00

Total Payments and Credits

285.00

Balance Due as of 8/19/2019

0.00

EXHIBIT "A"

Printed on 08/19/2019 at 1:46 PM

DC19-17645

CAUSE NO. _____

<p>NABORS DRILLING TECHNOLOGIES USA, INC. d/b/a CANRIG DRILLING TECHNOLOGY, LTD.</p> <p>Plaintiff,</p> <p>v.</p> <p>PERFORMANCE DRILLING COMPANY LLC,</p> <p>Defendant.</p>	<p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p> <p>§</p>	<p>IN THE DISTRICT COURT OF</p> <p>WINKLER COUNTY, TEXAS</p> <p>109TH JUDICIAL DISTRICT</p>
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**PLAINTIFF’S ORIGINAL PETITION AND
VERIFIED APPLICATION FOR INJUNCTIVE RELIEF**

Plaintiff Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology, Ltd. (“Canrig” or “Plaintiff”) files this suit against Performance Drilling Company LLC (“Performance Drilling” or “Defendant”) for breach of contract, suit on sworn account, breach of the Texas Construction Trust Fund Act, and for injunctive relief to enjoin the unlawful retention and/or diversion of trust funds, and would respectfully show the Court as follows:

I. DISCOVERY CONTROL PLAN

1. Canrig intends for this matter to be conducted under Level 2 of Rule 190 of the Texas Rules of Civil Procedure.

II. NATURE OF CASE

2. Canrig furnished equipment, labor and services to Performance Drilling under a Rental Agreement dated June 22, 2018, including a Top Drive, Power Catwalk and related equipment, labor and services for Performance Drilling’s Rig #28 for the drilling of oil and gas wells located in Winkler County and operated by Impetro Operating, LLC (“Impetro”) and owned by Lilis Energy, Inc. (“Lilis”). Performance Drilling owes Canrig \$1,185,131.65, exclusive of

interest and attorneys' fees. Lilis has informed Canrig that it has recently paid Performance Drilling over \$2 million for the drilling operations conducted for Impetro and Lilis. While Performance Drilling has received over \$2 million from Lilis in construction payments, which together with any prior payments received by Performance Drilling constitute trust funds under Chapter 162 of the Texas Property Code, for which Performance Drilling is a trustee and Canrig is a trust beneficiary, Performance Drilling has failed to pay Canrig's invoices and has, at a minimum, unlawfully retained the trust funds. Further, Performance Drilling has breached the Rental Agreement with Canrig by failing to pay Canrig's invoices when due, which has necessitated the filing of this lawsuit.

III. PARTIES

3. Plaintiff Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology, Ltd. is a Texas corporation duly authorized to conduct business in the State of Texas, with its principal place of business located at 515 West Greens Road, Suite 300, Houston, Texas 77067.

4. Defendant Performance Drilling Company LLC, a foreign corporation organized and existing under the laws of Mississippi, whose principal office is located at 125 South Congress Street, Suite 1610, Jackson, MS 39201. Performance Drilling is authorized to conduct business in Texas and does conduct business in Texas, including with respect to the drilling operations conducted in Winkler County which form the basis of this lawsuit. Performance Drilling may be served with process by serving its registered agent for service of process, CT Corporation System, in Dallas County, at 1999 Bryan St., Ste. 900, Dallas, Texas 75201-3136.

IV. JURISDICTION AND VENUE

5. The amount in controversy is within the jurisdictional limits of this Court. Performance Drilling has minimum contacts with the State of Texas and this Court has personal

jurisdiction over Performance Drilling and subject matter jurisdiction over this dispute. All or a substantial part of the wrongful acts of Performance Drilling which form the basis of Canrig's claims occurred in Winkler County, Texas.

V. STATEMENT OF FACTS

6. On June 22, 2018, Canrig and Performance Drilling executed the Rental Agreement which is attached as **Exhibit A** and incorporated herein by reference, pursuant to which, among other things, Canrig agreed to furnish a Top Drive, Power Catwalk and related equipment, material, labor and services as set forth in the Rental Agreement.

7. Canrig has performed all obligations required of Canrig under the Rental Agreement. Performance Drilling has used the equipment and services provided by Canrig to conduct drilling operations for Impetro and CrownQuest Operating, LLC, for which Performance Drilling has earned substantial drilling revenue, including over \$2 million in payments from Lilis (an affiliate of Impetro) between April 19, 2019 and June 1, 2019, for which Performance Drilling has not paid Canrig.

8. The invoiced amounts for Canrig's equipment and services are summarized below, and the invoices are attached as **Exhibit B**.

Customer Name	Invoice Number	Amount Due	County	Well	Operator	Service Dates
PERFORMANCE DRILLING CO LLC	C074-10560	24,965.70	Glasscock	Furqueron #1HD	CrownQuest Operating, LLC	7/1/18-7/31/18
PERFORMANCE DRILLING CO LLC	C074-10678	48,496.00	Glasscock	Furqueron #1HD	CrownQuest Operating, LLC	7/15/18-7/31/18
PERFORMANCE DRILLING CO LLC	C074-10557	11,779.77	Glasscock	Furqueron #1HD	CrownQuest Operating, LLC	8/1/18-8/31/18
PERFORMANCE DRILLING CO LLC	C074-10676	83,352.50	Winkler	OSO #1H	Impetro Operating, LLC	8/1/18-8/31/18
PERFORMANCE DRILLING CO LLC	C074-10555	10,554.38	Winkler	OSO #1H	Impetro Operating, LLC	8/19/18-8/31/18

Customer Name	Invoice Number	Amount Due	County	Well	Operator	Service Dates
PERFORMANCE DRILLING CO LLC	C074-10677	115,286.25	Winkler	OSO #1H	Impetro Operating, LLC	9/1/18-9/30/18
PERFORMANCE DRILLING CO LLC	C074-10636	107,607.00	Winkler	OX #1HR	Impetro Operating, LLC	10/1/18-10/31/18
PERFORMANCE DRILLING CO LLC	C074-10675	232,495.03	Winkler	OX #1HR	Impetro Operating, LLC	11/3/18-12/1/18
PERFORMANCE DRILLING CO LLC	NDUS-P001854	2,852.57	Glasscock	Furqueron #1HD	CrownQuest Operating, LLC	12/9/18
PERFORMANCE DRILLING CO LLC	C074-10674	102,806.12	Winkler	KUDU A #2H	Impetro Operating, LLC	1/1/19-1/31/19
PERFORMANCE DRILLING CO LLC	C074-10680	107,600.50	Winkler	KUDU A #2H	Impetro Operating, LLC	2/1/19-2/28/19
PERFORMANCE DRILLING CO LLC	NDUS-P002777	115,288.42	Winkler	KUDU A #2H	Impetro Operating, LLC	3/1/19-3/31/19
PERFORMANCE DRILLING CO LLC	NDUS-P002778	115,286.25	Winkler	KUDU B #2H	Impetro Operating, LLC	4/1/19-4/30/19
PERFORMANCE DRILLING CO LLC	NDUS-P003382	86,263.36	Winkler	KUBU B #2H	Impetro Operating, LLC	5/1/19-5/20/19
PERFORMANCE DRILLING CO LLC	226291	112.43				
PERFORMANCE DRILLING CO LLC	227360	521.18				
PERFORMANCE DRILLING CO LLC	NDUS-S000037	3,989.80				
PERFORMANCE DRILLING CO LLC	NDUS-S000055	7,033.30				
PERFORMANCE DRILLING CO LLC	NDUS-S000079	1,048.87				
PERFORMANCE DRILLING CO LLC	INV300920	349.30				
PERFORMANCE DRILLING CO LLC	INV300944	275.40				
PERFORMANCE DRILLING CO LLC	INV301886	1,589.17				
PERFORMANCE DRILLING CO LLC	INV304571	1,003.95				
PERFORMANCE DRILLING CO LLC	NDUS-S000155	1,448.95				
PERFORMANCE DRILLING CO LLC	NDUS-S000166	1,076.67				

Customer Name	Invoice Number	Amount Due	County	Well	Operator	Service Dates
PERFORMANCE DRILLING CO LLC	INV308520	275.40				
PERFORMANCE DRILLING CO LLC	INV312628	1,773.38				
		1,185,131.65				

9. Summarized below is a list of payments that was provided to Canrig by Lilis that Lilis made to Performance Drilling from April 19, 2019 through July 1, 2019.

Inv. Date	Paid Date	Invoice No. / Well	Amount	Performance Drilling Rig
2/4/2019	4/19/2019	28-013119 KUDU A 2H	\$208,792.05	842 IDC Drilling Rig-KUDU A #2H
2/19/2019	4/19/2019	28-021819 KUDU A 2H	\$273,975.00	842 IDC Drilling Rig #28-KUDU A #2H
2/19/2019	4/19/2019	28-021519 KUDU A 2H	\$316,125.00	842 IDC Drilling Rig #28-KUDU A #2H
4/1/2019	5/8/2019	28-033119 KUDU B 2H	\$191,084.00	842 IDC Drilling Rig #28-KUDU B #2H
3/20/2019	5/8/2019	28-031719 KUDU A 2H	\$262,087.50	842 IDC Drilling Rig #28-KUDU A #2H
4/16/2019	6/7/2019	28-041519 KUDU B 2H	\$312,328.13	842 IDC Drilling Rig #28-KUDU B #2H
4/30/2019	6/7/2019	28-043019 KUDU B 2H	\$271,828.13	842 IDC Drilling Rig #28-KUDU B #2H
5/18/2019	7/1/2019	28-051619 KUDU B 2H	\$217,849.17	842 IDC Drilling Rig #28-KUDU B #2H
Total			\$2,054,248.98	

10. Canrig has made demand upon Performance Drilling for payment in full of the amounts due to Canrig under the Rental Agreement; however, Performance Drilling has refused and failed to remit payment, in breach of its obligations under the Rental Agreement.

VI. CAUSES OF ACTION

Count I – Breach of Rental Agreement

11. Canrig incorporates by reference the Statements of Fact set forth in the preceding paragraphs.

12. The elements of a breach of contract claim are the following:

1. There is a valid, enforceable contract;
2. The plaintiff is a proper party to sue for breach of contract;
3. The plaintiff performed, tendered performance of, or was excused from performing its contractual obligations;
4. The defendant breached the contract; and,

5. The defendant's breach caused the plaintiff injury.

See Davis v. Texas Farm Bur. Ins., 470 S.W.3d 97, 104 (Tex. App.—Houston [1st Dist.] 2015, no pet.).

13. The Rental Agreement is a valid enforceable contract. Canrig is the proper party to sue for the breach of the contract. Canrig fully performed all its contractual obligations under the Rental Agreement. Performance Drilling breached the contract by its refusal and failure to pay the amounts due to Canrig. Performance Drilling's breach of the Rental Agreement caused Canrig economic injury. Each element of Canrig's claim for breach of contract is satisfied.

Relief Requested on Count I

14. With respect to Count I, Canrig requests the following relief from Performance Drilling:

- a. Damages. Because of Performance Drilling's refusal to pay the amounts due and owing to Canrig under the Rental Agreement, Canrig has been damaged in the principal amount of \$1,185,131.65.
- b. Pre-Judgment Interest. Canrig is entitled to recover pre-judgment interest from Performance Drilling at the highest lawful rate as specified in the Rental Agreement.
- c. Costs. Canrig is entitled to recover all costs of court expended in this action.
- d. Attorneys' Fees. Canrig is entitled to recover reasonable attorneys' fees for all work done in the trial court, the appellate court, and the Texas Supreme Court, as necessary.
- e. Post-Judgment Interest. Canrig is entitled to recover interest on its judgment from the date of judgment until date paid at the highest lawful rate.
- f. Additional Relief. Canrig is entitled to all other and further relief, special or general, legal or equitable, as it may be shown justly entitled to receive.

Count II – Suit on Sworn Account Under Tex. R. Civ. P. 185

15. Canrig incorporates by reference the Statements of Fact set forth in the preceding paragraphs.

16. To establish a suit on sworn account under Rule 185 of the Texas Rules of Civil Procedure, the plaintiff must establish the following:

1. The plaintiff sold goods or furnished services to the defendant;
2. The prices charged were just and true because they were (1) according to the terms of a contract, or (2) the usual, customary, and reasonable prices, if there was no contract;
3. The plaintiff kept a systematic record of the transaction;
4. All lawful offsets, payments, and credits have been applied to the account;
5. The account remains unpaid.
6. The damages are liquidated; and,
7. The plaintiff filed the petition under oath.

See Tex. R. Civ. 185; Airborne Freight Corp. v. CRB Mktg., Inc., 566 S.W.2d 573, 574 (Tex. 1978).

17. Each requirement for a suit on sworn account is satisfied. Canrig provided goods and services to Performance Drilling. The prices charged were just and true in accordance with the terms of the Rental Agreement and usual, customary, and reasonable for the equipment and services provided by Canrig. Canrig kept a systematic record of the transaction. All lawful offsets, payments, and credits have been applied to Performance Drilling's account. The account remains unpaid. The damages are liquidated. Canrig has verified this petition under oath. Thus, Canrig is entitled to judgment on its suit on sworn account.

Relief Requested on Count II

18. With respect to Count II, Canrig requests the following relief from Performance Drilling:

- a. Damages. Canrig is entitled to recover from Performance Drilling the principal amount due and owing, after all just and lawful offsets, payments and credits of \$1,185,131.65.
- b. Pre-Judgment Interest. Canrig is entitled to recover pre-judgment interest from Performance Drilling at the highest lawful rate.
- c. Costs. Canrig is entitled to recover all costs of court expended in this action.
- d. Attorneys' Fees. Canrig is entitled to recover reasonable attorneys' fees for all work done in the trial court, the appellate court, and the Texas Supreme Court, as necessary.
- e. Post-Judgment Interest. Canrig is entitled to recover interest on its judgment from the date of judgment until date paid at the highest lawful rate.
- f. Additional Relief. Canrig is entitled to all other and further relief, special or general, legal or equitable, as it may be shown justly entitled to receive.

Count III – Claim Under Texas Construction Trust Fund Act, Tex. Prop. Code Chapter 162

19. Canrig incorporates by reference the Statements of Fact set forth in the preceding paragraphs.

20. All payments made to Performance Drilling for drilling operations conducted under Performance Drilling's contracts with Impetro and CrownQuest Operating are trust funds under Chapter 162. *See* Tex. Prop. Code §162.001(a); *Wim Transp., Ltd. v. Elite Coil Tubing Solutions, LLC*, 2014 U.S. Dist. LEXIS 22937 (S.D. Tex. 2014) (Judge Sim Lake); *Painter v. Momentum Energy Corp.*, 271 S.W.3d 388 (Tex. App.—El Paso 2008, pet. denied); *Moreno v. BP Am. Prod. Co.*, 2008 Tex. App. LEXIS 6897, (Tex. App.—San Antonio 2008, pet. denied); *Francis v. Coastal Oil & Gas Corp.*, 130 S.W.3d 76, 85 (Tex. App.—Houston [1st Dist.] 2003, no pet.); *Triton Oil & Gas Corp. v. E.W. Moran Drilling Co.*, 509 S.W.2d 678 (Tex. Civ. App.—Fort Worth 1974, writ ref'd n.r.e.).

21. As a contractor who received trust funds and has control or direction of trust funds, Performance Drilling is a trustee. Tex. Prop. Code § 162.002.

22. As a subcontractor who furnished equipment, labor, and services for the drilling of oil and gas wells, which are improvements on real property located in Winkler County, Canrig is a beneficiary of the trust funds. Tex. Prop. Code § 162.003.

23. Performance Drilling, as a trustee who has received trust funds, is statutorily required to only use such funds for the payment of current or past due obligations incurred by the trustee to the beneficiaries of the trust funds, which include Canrig. Any other retention or use of trust funds constitutes a misapplication of trust funds in violation of Chapter 162. Tex. Prop. Code § 162.031.

VII. APPLICATION FOR TEMPORARY RESTRAINING ORDER AND TEMPORARY INJUNCTION REGARDING TRUST FUNDS

24. Canrig incorporates by reference the Statements of Fact set forth in the preceding paragraphs. Canrig's application for injunctive relief is further supported by the affidavit of Rigoberto Gonzalez, Operations Manager for Nabors Drilling Technologies USA, Inc., attached as **Exhibit C**.

25. Canrig seeks a temporary restraining order, temporary injunction, and upon a trial on the merits or other dispositive motion or hearing, a permanent injunction against Performance Drilling enjoining Performance Drilling from unlawfully retaining, using, disbursing, or diverting trust funds in violation Chapter 162 of the Texas Property Code and requiring Performance Drilling to provide an accounting to Canrig for Performance Drilling's use or maintenance of such funds which shall include an identification of (i) all amounts paid to Performance Drilling by Impetro or Lilis, (ii) in what account such funds are held, and (iii) to whom any such funds have been disbursed, when such disbursements were made, and for what purpose. To date, Performance

Drilling has, at a minimum, unlawfully retained trust funds without paying all current and past due obligations incurred by Performance Drilling (as trustee) to Canrig (as a trust beneficiary), with respect to known amounts paid to Performance Drilling by Lilis of over \$2 million and non-payment of amounts due to Canrig totaling \$1,185,131.65. Defendant's conduct to date, coupled with the continued threat of an unlawful use, disbursement, or other diversion of trust funds constitutes a threat of irreparable injury to Canrig which justifies issuance of a temporary restraining order.

26. This Court may grant a temporary restraining order if it determines that the applicant is entitled to preservation of the status quo of the subject matter of the suit, in this case an order enjoining Performance Drilling from retaining, using, dispersing, or otherwise diverting trust funds, pending a trial on the merits.

27. Section 65.011 of the Texas Civil Practice and Remedies Code provides that:

A writ of injunction may be granted if:

- (1) the applicant is entitled to the relief demanded and all or part of the relief requires the restraint of some act prejudicial to the applicant;
- (2) a party performs or is about to perform or is procuring or allowing the performance of an act relating to the subject of pending litigation, in violation of the rights of the applicant, and the act would tend to render the judgment in that litigation ineffectual;
- (3) the applicant is entitled to a writ of injunction under the principles of equity and the statutes of this state relating to injunctions;
- (4) a cloud would be placed on the title of real property being sold under an execution against a party having no interest in the real property subject to execution at the time of sale, irrespective of any remedy at law; or
- (5) irreparable injury to real or personal property is threatened, irrespective of any remedy at law.

TEX. CIV. PRAC. & REM. CODE § 65.011. "The purpose of a temporary injunction is to preserve the status quo of the litigation's subject matter pending a trial on the merits." *R&R Res.*

Corp. v. Echelon Oil & Gas, L.L.C., No. 03-05-479-CV, 2006 Tex. App. LEXIS 326, at *10 (Tex. App.—Austin Jan. 10, 2006, no pet.) (citing *Butnaru v. Ford Motor Co.*, 84 S.W.3d 198, 204 (Tex. 2002)); *see also Tri-Star Petroleum Co. v. Tipperary Corp.*, 101 S.W.3d 583 (Tex. App. – El Paso 2003). “Injunctions may also issue when the status quo is not a condition of rest but of action, because the condition of rest will inflict irreparable injury on the complainant.” *Id.* (citing *RP&R, Inc. v. Territo*, 32 S.W.3d 396, 401 n.3 (Tex. App.—Houston [14th Dist.] 2000, no pet.). “To obtain a temporary injunction, the applicant must plead and prove three specific elements: (1) a cause of action against the defendant; (2) a probable right to the relief sought; and (3) a probable, imminent, and irreparable injury in the interim.” *Butnaru*, 84 S.W.3d at 204; *see also Walling v. Metcalfe*, 863 S.W.2d 56, 58 (Tex. 1993) (“Simply because the applicant for a temporary injunction asks only for damages as ultimate relief does not guarantee that damages are completely adequate as a remedy . . . circumstances can arise in which a temporary injunction is appropriate to preserve the status quo pending an award of damages at trial.”).

28. Canrig is willing to post a bond in an amount adequate to support the relief requested herein although Canrig asserts that the amount of the bond should be minimal and in any event should not exceed \$10,000 because the risk of harm to Performance Drilling with respect to being required to comply with its statutory duties under the Texas Construction Trust Fund Act is minimal.

29. A proposed Form of Temporary Restraining Order is attached as **Exhibit D**.

VIII. REQUEST FOR DISCLOSURE

30. Pursuant to Rule 194 of the Texas Rules of Civil Procedure, Performance is requested to disclose within 50 days of service of this request the information or material described in Rule 194.2.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Canrig Drilling Technology, Ltd. prays for a Final Judgment on Counts I-III awarding Canrig the relief requested herein, injunctive relief requested herein, and for such other and further relief to which it may be entitled.

Dated: August 8, 2019

Respectfully submitted,

SNOW SPENCE GREEN LLP

By: /s/ Kenneth P. Green
Kenneth P. Green
State Bar No. 24036677
kgreen@snowspencelaw.com
2929 Allen Parkway, Suite 2800
Houston, Texas 77019
Telephone: (713) 335-4800
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SHAFFER, DAVIS, O'LEARY & STOKER, INC.

By: /s/ Layne Rouse
R. Layne Rouse
State Bar No. 24066007
lrouse@shaferfirm.com
Dick R. Holland
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700 North Grant Ave, Suite 201
P.O. Drawer 1552
Odessa, Texas 79760
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Facsimile: (432) 333-5002

**ATTORNEYS FOR PLAINTIFF,
NABORS DRILLING TECHNOLOGIES USA,
INC. d/b/a CANRIG DRILLING
TECHNOLOGY, LTD.**

VERIFICATION

State of Texas §
 County of Harris §

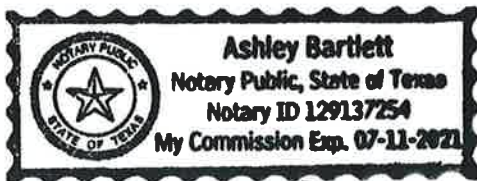
Before me, the undersigned notary, on this day personally appeared Rigoberto Gonzalez, the affiant, a person whose identify is known to me. After I administered an oath to affiant, affiant testified:

“My name is Rigoberto Gonzalez. I am over the age of eighteen (18) years. I am the Operations Manager for Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology, Ltd. I have read the foregoing Original Petition and Verified Application for Injunctive Relief. The facts stated therein are within my personal knowledge and are true and correct.”


 Nabors Drilling Technologies USA, Inc. d/b/a
 Canrig Drilling Technology, Ltd.

STATE OF TEXAS §
 COUNTY OF HARRIS §

SUBSCRIBED AND SWORN TO AND BEFORE ME by Rigoberto Gonzalez, this 7th day of August, 2019.




 NOTARY PUBLIC,
 State of Texas

**Canrig Drilling Technology Ltd.**

515 West Greens Road, Suite 300
Houston, TX 77067
Phone: 281.774.5600
Fax: 281.775.1979

Quotation Number: OP-00009280
Date: 6/22/2018

Customer: Main Address: City, State/Province, PC:	Performance Drilling 3021 Hwy 80 E Brandon MS 39042	Contact Name: Contact Title: E-Mail:	Tommy Barbo Superintendent tbarbo@perfdri.com	
Billing Address (if Different): City, State Postal Code:		Direct: Main:	601 824 5000	Mobile: Fax:
Spud Date:		Contract Duration:		
Location/Well Name/Rig: TD Model: CW Model:	Rig 28 1250AC 500-ton Choose an item	Legal Description: State:		
Canrig Contacts				
Account Manager: Field Service Manager:	Kenny Horton Adam Funnell	Mobile: Mobile:	281 475 9260 832 829 8746	Direct: Direct:

Notes and Special Provisions

- ★ All funds quoted in this Rental Agreement are in U.S. dollars for one system.
- ★ This Proposal is available for acceptance for a period of 30 days, and is subject to credit approval and equipment availability.
- ★ Upon thirty (30) days prior written notice, at the end of the minimum rental term set out below, Rental Fees may be adjusted by Canrig (See: Terms & Conditions Section VI(D)).
- ★ The minimum term of this Agreement is 45 days
- ★ In the event the equipment is returned prior to the expiration of the minimum term, the unused days will be charged at the Stand-by rate, set out below.

Customer's acceptance of the terms of this Proposal, the Commercial Terms and Rates, the General Terms and Conditions, and all Schedules attached hereto (together the "Rental Agreement") is evidenced by the signature of its authorized representative or this Rental Agreement. In the absence of such a signature, Customer's signature on any field tickets or work orders concerning the rental of any Canrig equipment on the above referenced rig, or Customer's instruction to Canrig to commence operations on such rig evidence the acceptance and agreement that all equipment and services provided hereunder shall be governed by this Rental Agreement.

Canrig Drilling Technology Ltd.

Authorized Signature

John Sanchez

Name

COO

Title

Date

6/22/18

Company Name

Authorized Signature

Name (Please Print)

Title

Date

Performance Drilling Company LLC

Authorized Signature

Name (Please Print)

Title

Date

Jeff H. Goodwin

CFO / Treasurer

6/22/18



Quotation: OP-00009280
Company: Performance Drilling

1	DAILY CHARGES FOR TOP DRIVE RENTAL – Description and Rates <small>All rates are per day unless otherwise specified</small>	Quoted Price
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1.1	Operating Rates
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CANRIG MODEL	The operating rate is applicable from the day the system rigs-up on location to the day the system rigs-down completely.		\$2,800
	This Rate Includes		This Rate Does Not Include
	<ul style="list-style-type: none"> ★ A set of bails for drill pipe ★ Drill pipe sub saver for each drill pipe connection size ★ Control console 	<ul style="list-style-type: none"> ★ Services described herein ★ Torque guide ★ Standard rig interface materials ★ A Top Drive support unit (TDSU) 	<ul style="list-style-type: none"> ★ Fuel for the Top Drive ★ Rental equipment.

1.2	Stand-By (Non-Operating) Rates
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WITHOUT CREW	<ul style="list-style-type: none">★ The Stand-By rate without a crew is applicable from the time of departure from the Canrig location designated below ("Canrig Base"), until return, at all times not charged at either the operating rate or transit rate.★ This Stand-By rate is typically applicable for local transport time, rig-up/rig-down, waiting time, and rig moves.	\$2,100
	The maximum allotted time for Stand-By is seven (7) days; thereafter full operating rate will apply.	

1.3	Other Top Drive Rates
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TRANSIT	<ul style="list-style-type: none">★ Applicable from the time the system is shipped from the Canrig Base until it arrives at the operating site, and again on return from decommissioning until it is returned to the Canrig Base.★ A maximum of 15 days are allowed each way at the transit rate; additional time will be charged at the operating rate.	\$2,100

DOWNTIME ALLOWANCE	<ul style="list-style-type: none">★ Downtime is defined as mechanical failure of the unit.★ It does not include normal service and maintenance functions, wash pipe and packing maintenance, or any excluded cause.★ In the event that downtime occurs due to Top Drive failure, Canrig will pro-rate the applicable day rate and provide a per hour credit. See: <i>Terms & Conditions Section VI(D)2</i>.	Variable
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2	ADDITIONAL EQUIPMENT RENTAL RATES <small>All rates are per day unless otherwise specified.</small>	Quoted Price
2.1	Generator Set The genset rental will require a separate agreement with a third party company.	Variable
2.2	Secondary Drill String Kit	\$200.00
2.3	Rotary Hose, 3 inch, 5000 psi WP, 75 ft. long Billed when unit is Operational or on Stand-by.	\$200.00
2.4	Floor Stabilizer c/w 5 inch inserts	\$80.00
2.5	Wireline Guide Sheave Assembly	\$35.00



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3 TOP DRIVE ON-SITE SERVICES All rates are per technician unless otherwise specified		Quoted Price
CANRIG MODEL	Field Technician ★ After initial installation, training, and commissioning, operation and maintenance of the system does not require the on-site presence of a Canrig technician; however, one may be provided at the following rates. ★ Affecting coverage (Canrig Work policy mandates that no person shall work more than 16 consecutive hours, this includes travel time). ★ An additional technician is required if the technician is needed more than 16 consecutive hours (This includes travel time to location).	\$125.00/hr. 8 hr. minimum
	On-Site Training ★ Two technicians are required to assist and manage all rig-up/ rig-down of Top Drive, Power Unit and equipment, to train drillers, and when the unit is released as per Canrig's safety compliance. ★ A Canrig Technician will train drillers through Canrig's Top Drive Orientation Program until they deem the drillers are competent and fully understand the functionality of how to operate the Top Drive safely and properly without causing excessive stress or damage to the Top Drive Unit and Equipment ★ Canrig personnel signature is required for approval. <i>See Section 7 Maintenance, Service & Repairs.</i>	\$1500.00/day
TRAINING	Inspection There will be a monthly on-site inspection charged at the following rate.	\$125.00/hr. 8 hr. minimum
	Mileage	\$1.50/mile
	Per Diem	\$50.00/day
4 TOP DRIVE INCIDENTALS – Rates are each		Quoted Price
4.1	System Refurbishment System refurbishment billed at conclusion of Rental Agreement.	\$8,000.00
4.2	Dual Ball Valve Repair Kit Billed when replaces or at the end of the contract when unit is released.	\$3,500.00
4.3	Saver Sub Re-cut Billed if required and only for XH, IF, FH Drill Pipe Connections.	\$1,200.00
5 TOP DRIVE RIG SURVEY		Quoted Price
5.1	Rig Survey One-time fee. Credited if contract is signed.	\$2,500.00



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6	TOP DRIVE MOBILIZATION/DEMOBILIZATION (A 15% processing fee will be applied)* except where indicated	Provided by:		At Expense of:	
		Canrig	Customer	Canrig	Customer
6.1	Transportation and Handling Charges. If Customer elects to use its preferred transport company, Canrig requires adequate Insurance of no less than \$2 Million USD for cargo/hoisting liability, which names Canrig as Additional Insured, and waives subrogation against Canrig. Further Customer's transport company must provide Canrig with a Certificate of Insurance evidencing such coverage prior to moving Canrig's equipment. ★ Point of origin to rig or dock site. ★ Rig site to rig site (if applicable). ★ Rig or dock site to point of origin or agreed location.	✓ ✓	✓ ✓ ✓		✓ ✓ ✓
6.2	Rush air and/or land express freight transportation from available source For additional spare parts requested by Customer or replacement of damaged goods outside the scheduled delivery.	✓			✓
6.3	Personnel Expenses – per each technician *10% processing fee applied ★ Commercial air travel. ★ Charter air travel (if required). ★ Accommodations at location. ★ Local transportation of personnel (if required). ★ Subsistence non-camp with well site accommodations to reasonable standard. ★ Telephone/fax usage at rig site (Canrig Business). ★ Internet usage at rig site (Canrig Business). ★ Vehicle transportation for land services (technician mileage - \$1.50/mile (e.g., crew change, supply runs, etc.))	✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓		✓ ✓ ✓ ✓ ✓ ✓

7	TOP DRIVE MAINTENANCE, SERVICE AND REPAIRS	Canrig	Customer	Canrig	Customer
7.1	If the unit is rigged up and system repairs are required due to damages caused by Customer, its contractors, subcontractors or third-parties, Customer shall be charged the repair costs (including the replacement cost of damaged parts) in addition to paying the operating rates while repairs are being made. If the unit is not rigged up, Customer shall be charged the repair costs (including the replacement cost of damaged parts) in addition to paying the standby rate.	✓			✓
7.2	Technician will be allowed sufficient downtime for repair, replacement, and inspection of equipment: (e.g., check end play components, wear bushing, guide paths, alignment check, service loop inspection, swivel packing, slip on tools and grabber dies.)	✓		✓	
7.3	If Top Drive remains on contract in excess of 60 operating days, Canrig Top Drive requires a load path inspection that includes a magnetic particle inspection (MPI) in accordance with Canrig's TD preventive maintenance schedule. Customer to provide such MPI by a qualified MPI inspector and Provide Canrig with copy(ies) of the inspection report(s) for equipment inspection records. See section 7.7.		✓		✓
7.4	System Maintenance: Rig Time (0.5 hr./day allocated and cumulative) Customer agrees that preventative maintenance is necessary for the equipment's optimal performance and that such maintenance is to be performed daily: e.g., checking the fluid levels, lubrication requirements (points/frequency), roto-Actuator operation/maintenance, Torque arrest system design/maintenance, Cable/Hose maintenance(service loop), Building/HPU maintenance. Canrig Technician will observe all Safety Policies (including Tag & Lock-out of Top Drive) prior to any maintenance or repairs. Customer's failure to comply with this section 7.7 shall be considered a breach of contract and Customer will be required to pay for damages.	✓			✓



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7.5	Training Drillers A Canrig technician will train all drillers (all towers) in the safe operation of the Canrig Top Drive until Canrig Technician deems that the drillers are competent to operate the Top Drive safely and properly without causing (i) harm to workers on site and/or (ii) excessive stress or damage to the Top Drive Unit and Equipment. See section 10.2. Customer's failure to comply with this requirement shall be deemed a breach of contract. Note: Each driller who has received the Canrig Orientation training shall sign the Orientation Checklist, which shall be retained onsite with the TD records.	✓			✓
7.6	TD system damages caused by Customer, its contractors and subcontractors or third-parties, acts of war, forces of nature, or rig damage will be repaired by a Canrig Technician and the charges will be paid by Customer. The charges include a service fee as indicated in section 3. Customer will also be billed for the replacement of damaged parts. In the event of an anticipated weather event, Customer shall allow Canrig time to remove and/or secure Canrig Top Drive and equipment in order to mitigate damages. All cost associated with equipment transport/demobilization will be at customers cost. Customer's failure to comply with this requirement shall be deemed a breach of contract	✓			✓
7.7	Customer shall allow sufficient time for performance of TD System maintenance, such as: <ul style="list-style-type: none">★ Initial Top Drive Alignment Checklist (daily).★ Top Drive and Torque Path Routine Maintenance (daily).★ Hydraulic Power Unit Routine Maintenance Checklist (daily).★ Pump Drive System Maintenance Record (daily & at required intervals).★ Canrig Fluid Sample Records.★ Magnetic Particle Inspections (MPI).★ Post Jarring Checklist (if applicable).★ Engine Maintenance.★ End-Play checks.★ Hydraulic Power Unit Routine Maintenance Checklist (daily, weekly, 60, 250, 500, 750 day).★ Top Drive and Torque Path Routine Maintenance (daily, weekly, 60, 250, 500, 750 day).★ Pump Drive System Maintenance Record (oil changes).★ Top Drive and Swivel Maintenance Record.★ Minimum points incident Report (per incident)				

8	PARTS AND INVENTORY	Canrig	Customer	Canrig	Customer
8.1	C-Can or sea can parts are to be provided by Canrig exclusively.	✓		✓	
8.2	Canrig will make the necessary arrangements to have the ordered parts delivered. Shipment dates are approximate and depend on parts availability. Canrig does not guarantee any delivery date and accepts no liability for any delays that may occur.	✓		✓	
8.3	Customer is responsible for exclusive order deliveries (hot shot) plus an additional 15% processing fee.	✓			✓

9	WELL SITE PROVISIONS	Canrig	Customer	Canrig	Customer
9.1	All permits, if necessary, for transportation of equipment, licensing fees, operating permits, special taxes pertaining to the equipment.	✓			✓
9.2	Hoisting equipment required to off-load / rig-up and rig-down / back-load Canrig equipment at the site. Note: If Customer wants to provide Transport or Hoisting Equipment, Customer must comply with all provisions of section 6.1 and Terms & Conditions. Canrig does not guarantee any delivery date and accepts no liability for any delays that may occur.	✓	✓		✓
9.3	Third party rentals shall be the responsibility of the Customer at all times. Any invoices handled by Canrig will bear an additional 15% handling charge (processing fee) and are subject to the payment terms set out in "Terms and Conditions".		✓		✓



Quotation:	OP-00009280
Company:	Performance Drilling

10	RISK MANAGEMENT	Canrig	Customer	Canrig	Customer
10.1	Canrig reserves the right to refuse to carry out any operational practice involving Canrig equipment that Canrig has deemed to be unsafe or that may place the Canrig personnel or the rig crews at physical risk.	✓			✓
10.2	Canrig reserves the right to assess the training, competency, and proficiency of all drillers or other persons operating Canrig Top Drive or other equipment, in either day-to-day or specialized operations. Note: If Canrig determines that any driller needs additional training as outlined in 7.5 Customer shall allow the time for such training. Customer's failure to comply with this requirement shall be deemed a breach of contract.	✓			✓
10.3	Customer shall provide insurance as required under Terms & Conditions.		✓		✓

11	DAILY CHARGES FOR POWER CATWALK RENTAL – Description and Rates* <small>All rates are per day unless otherwise specified.</small>	Quoted Price
11.1	Power Catwalk Operating Rate Applicable at all times the Equipment is installed and operable. In the event that the system is returned prior to the expiration of the Minimum term, the unused days will be charged at the Operating Rate.	\$0,000.00
11.2	Power Catwalk Stand-by w/ out Crew Rate (Non-Operating Rate) The stand-by rate is applicable from the Canrig location designated below ("Canrig Base"), departure until return, at all times not charged at either operating rate or transit rate. The stand-by rate is typically applicable for local transport time, rig-up/rig-down, waiting time and rig moves. The maximum allotted time for standby is seven (7) days; thereafter full operating rate will apply.	\$0,000.00
11.3	Power Catwalk Transit Rate Applicable from the time the system is shipped from the Canrig Base until it arrives at the operating site, and again on return from decommissioning until it is returned to the Canrig Base. A maximum of 15 days are allowed each way at the transit rate; additional time will be charged at the operating rate.	\$0,000.00
11.4	Power Catwalk Downtime Allowance For this Agreement, downtime is defined as mechanical failure of the unit. It does not include normal service and maintenance functions, wash pipe and packing maintenance, and any excluded cause. In the event that downtime occurs due to Top Drive failure, Canrig will pro-rate the applicable day rate and provide a per hour credit. <i>Terms & Conditions Section VI(D)2.</i>	Variable

Initials:

Customer

Canrig



Quotation:	OP-0009208
Company:	Performance Drilling

TERMS & CONDITIONS

- I. The party requesting products, services, or work ("Customer") agrees and acknowledges these Terms and Conditions ("Terms") apply to the provision of Customer on-site or off-site services ("Services"); products, parts, and supplies ("Equipment"); Performance Tools (as defined below); and equipment rented by Customer ("Rental Equipment") (each and collectively, the "Work") by Canrig Drilling Technology or its affiliates ("Canrig"), including, without limitation, the Work listed in the accompanying quotation ("Quotation"). Every order placed by Customer ("Order") is subject to acceptance by Canrig and acceptance is expressly limited to the terms and conditions of the Quotation and these Terms (collectively, this "Agreement").
- II. Notwithstanding any oral or written statement made by Customer, Canrig's acceptance of a purchase order, order confirmation or any other document or electronic transmittal issued by Customer does not constitute acceptance of Customer's terms, conditions, or provisions, and if such acceptance is found to be an acceptance of an offer, Canrig's acceptance is expressly made conditional on acceptance by Customer of the terms and conditions in these Terms. If Canrig's Quotation, order acknowledgement, invoice, or other document or electronic transmittal is found to be an offer, Customer's acceptance of the offer is limited to the terms and conditions in these Terms. It is expressly understood and agreed that Customer's terms and conditions are not a part of this Agreement, or any contract between Customer and Canrig, and Canrig does not accept, and expressly objects to, any such terms, conditions, or provisions. No Order shall be binding on Canrig until accepted in writing by an authorized officer of Canrig. Canrig is not obligated to accept any Order from Customer.
- III. **Pricing and Payment.**
 - A. Customer shall pay Canrig for the Work, including any applicable rental fee for Rental Equipment ("Rental Fee") or applicable Performance Tools License fee ("Performance Tools Fee"), at the rates as specified in the Quotation, or if no rates are specified, at Canrig's then-current standard rate (all collectively, "Fees"). Customer is obligated to pay to Canrig the Fees for Work rendered regardless of whether or not Customer's desired results are achieved. Notwithstanding anything in any Quotation or Agreement, each of the Rental Fee and/or Performance Tools Fee (as applicable) shall accrue from the date of delivery through the date of return receipt in good condition, in the case of Rental Equipment, or deactivation, in the case of Performance Tools, by Canrig. Unless otherwise stated in the applicable Quotation, Canrig may change its pricing for any or all Work at any time without notice.
 - B. Unless otherwise specified in the Quotation, a non-refundable down payment of forty percent (40%) of the Fees are due upon acceptance of an Order, and Canrig shall not be required to deliver any Equipment until all Fees are paid in full. Customer shall pay all Fees within thirty (30) days of the date of Canrig's invoice, unless otherwise set forth in this Agreement. Invoices are payable in U.S. Dollars unless otherwise specified in the invoice, free of exchange, collection, or other charges. Any amount not paid when due shall accrue interest until paid at a rate equal to the lesser of either one and one-half percent (1.5%) per month or the maximum rate permissible by law. Notwithstanding anything to the contrary, Canrig's performance of Work is subject to Canrig's prior credit approval of Customer, which approval may be modified or withdrawn by Canrig at any time prior to or following acceptance of any Order.
 - C. Fees do not include any local, state, federal, foreign, or international sales, use, excise, value-added, goods and services, rental, import, export, stamp, or other similar taxes, duties, charges, or fees (and/or any related fines, penalties, interest, or similar charges) (collectively, "Taxes") and Customer agrees to pay such Taxes as may be applicable to the price, delivery, or use of any Work furnished by Canrig hereunder. If Customer is required to deduct or withhold any Taxes from any amount owed to Canrig, the amount payable to Canrig will be increased so that after all required deductions or withholdings have been made, Canrig will receive an amount equal to the sum that would have been payable had no deductions or withholdings been made.
 - D. If payment of undisputed amounts is not timely received, or if Canrig determines, in its reasonable discretion, that Customer's financial condition or creditworthiness has become impaired, in addition to any remedies Canrig may have pursuant to this Agreement or at law, Canrig shall be entitled, at its option, to:
 1. Require payment in advance for Work yet to be performed pursuant to this Agreement;
 2. Reduce Customer's payment terms to net ten (10) days of the invoice date;
 3. Require Customer to furnish security with respect to its obligations; and/or
 4. Immediately suspend its performance of Service under this Agreement, which includes terminating this Agreement, without penalty or liability.
In such case, Customer shall indemnify Canrig from and against any and all claims resulting from or arising out of such suspension or termination.
 - E. Customer shall pay all of Canrig's costs, including attorney's fees and court costs, incurred in connection with the collection of any past due amounts owed.
 - F. Upon request, Customer agrees to provide a parent company guarantee, bond, or letter of credit ("Guarantee"), in a form acceptable to Canrig, prior to Canrig's performance of any Work for any affiliate of Customer. If any Guarantee is required of Customer, Canrig shall have no obligation to perform Work for the Customer's affiliate unless and until Canrig receives such Guarantee.
 - G. Customer grants Canrig a security interest in all Equipment for which title has passed to Customer (including all after-acquired Equipment) and all proceeds of Equipment (including, but not limited to, all products into which Equipment is incorporated and any funds and products that Customer receives in exchange for Equipment) to secure Customer's performance of its obligations under this Agreement. Customer consents to Canrig's execution of any documents to evidence and perfect this security interest, and agrees to execute the same if requested by Canrig. In addition, Canrig reserves the right, prior to making any shipment, to require from Customer any other additional security for the performance of Customer's obligations, in a form determined by Canrig.
- IV. **Delivery, Title, and Risk of Loss.**
 - A. Unless otherwise agreed by Canrig in writing, shipping terms for all Equipment is FCA Canrig's named facility (Incoterms 2010). Customer shall arrange for shipping and pay all shipment costs. If Customer requests and Canrig agrees to arrange for shipment, and/or if Customer does not furnish Canrig with shipping instructions prior to the time any delivery is ready for shipment, Canrig shall ship to Customer, at Customer's risk, via a commercial carrier of Canrig's choice, and charge Customer at Canrig's cost, plus fifteen percent (15%).
 - B. Agreed delivery dates are approximate and are subject to change by Canrig. If Canrig stores any completed Work at Customer's request, or if Customer's acts or omissions prevent delivery in accordance with this Section IV, payment will nevertheless become due, risk of loss will pass as if delivery occurred in accordance with this Section IV, and Canrig may charge a storage fee for the storage of any Work Canrig deems appropriate.
 - C. Customer or its designated representative may attend and observe a final testing of the Equipment at Canrig's plant prior to delivery by providing Canrig with at least thirty (30) days' advance notice of its intention to do so, provided, however, that Canrig will not be required to postpone, delay, or reschedule such testing in order to accommodate Customer. An additional fee may apply to any extended testing.
 - D. Unless otherwise provided in writing by Canrig:
 1. After the scheduled delivery date, Canrig shall provide installation and removal services related to the Performance Tools, Rental Equipment, and Equipment;
 2. Customer will not install, modify, move, remove, or repair the Performance Tools, Rental Equipment, or Equipment without Canrig's prior written consent; and
 3. Customer will provide all routine maintenance for all Rental Equipment and Equipment.
 - E. Any cost associated with installation shall be at Customer's expense.
 - F. At its option, Canrig may transfer any Equipment left in Canrig's possession after the scheduled delivery date to a storage facility of its choosing on Customer's behalf, in which case Customer is required to pay the actual storage fees, transportation costs and other costs incurred (the "Storage Costs"). In the event and to the extent that Canrig pays such Storage Costs on Customer's behalf, Customer will be required to pay an additional administrative fee of fifteen percent (15%) of the Storage Costs.
 - G. Customer shall have no rights or property interest in any Work, except as expressly provided in these Terms.
 - H. Canrig retains title to Equipment until the later to occur of delivery, or Canrig's receipt of payment in full for such Equipment; however, Canrig holds no responsibility or liability for the condition of Equipment after delivery except pursuant to Section VIII of this Agreement.
 - I. Upon delivery of the Work, Customer will furnish Canrig a certificate executed by Customer's authorized representative, stating the Work has been delivered and is accepted without reservation. If Customer fails to furnish such certificate and fails to rightfully reject the Work in writing within seven (7) days of delivery, Customer will be deemed to have accepted such Work without reservation at the time of delivery. Rejection is rightful only if Customer shows that the Work fails substantially to conform to applicable specifications. Once Work is accepted, Customer waives any right to revoke acceptance.
 - J. Customer may only reject the Work if it is materially defective or fails to materially meet the specifications of this Agreement. Any rejection of the Equipment must be in writing and detail the reasons for rejection. If Canrig considers the reasons specified by Customer for any rejection of the Equipment do not conform to the requirements of this Section IV(I), it may proceed as if the purchase of the Equipment had been cancelled by Customer pursuant to Section XIII.
- V. **Proprietary Works.**
 - A. For the purposes of this Agreement, the term "Proprietary Works" shall mean, without limitation, all designs, ideas, discoveries, creations, works, devices, masks, models, works in progress, service deliverables, inventions, products, special tooling, software, computer programs, data, works of authorship, procedures, improvements, know-how, developments, drawings, notes, documents, business processes, information, and materials made, conceived, or developed by Canrig alone or with others that result from or relate to any or all of the Work.
 - B. Customer acknowledges and agrees that nothing herein shall confer on Customer any intellectual property or other rights, nor shall anything in this Agreement be construed as granting Customer any rights, by license or otherwise, under any patents, copyrights, trademarks, trade secrets, or other intellectual property owned by Canrig and/or any of its affiliates. All Proprietary Works shall at all times be and remain the sole and exclusive property of Canrig. If Canrig cannot be considered as the author or owner of the Proprietary Works or rights for any reason, then such Proprietary Works are automatically assigned to Canrig at their creation by this Agreement.
 - C. Customer hereby agrees to irrevocably assign and transfer to Canrig, and does hereby assign and transfer to Canrig (and shall ensure that any of its affiliates, employees, officers, directors, or agents claiming any rights to the Proprietary Works assigns) any and all of its worldwide right, title, and interest in and to the Proprietary Works, including all associated intellectual property rights. Customer hereby waives any and all moral and other rights in the Proprietary Works or any other intellectual property created, developed, or acquired with respect to any or all of the Work, without any further act being required. Canrig will have the sole right to determine the treatment of the Proprietary Works, including the right to keep it as trade secret, execute and file patent applications on it, use and disclose it without prior patent application, file registrations for copyright or trademark in its own name, or follow any other procedure that Canrig deems appropriate.
 - D. Customer agrees to:
 1. Disclose promptly in writing to Canrig all Proprietary Works in its possession;
 2. Assist Canrig in every reasonable way, at Canrig's expense, to secure, perfect, register, apply for, maintain, and defend for Canrig's benefit all copyrights, patent rights, mask work rights, trade secret rights, and all other proprietary rights or statutory protections in and to the Proprietary Works in Canrig's name as Canrig deems appropriate, including the signing of any affidavits, patent, or other applications and assignment documents; and
 3. Otherwise treat all Proprietary Works as Canrig's Confidential Information as defined herein.



Quotation:

Company:

- E. Canrig, its licensor, or one of their affiliates is the sole owner of the trademarks and trade names which designate, or which may in the future designate the Work, and reserves all rights to its intellectual property. Customer shall only use such trademarks, trade names, or any other trademarks or trade names of Canrig when and as approved by Canrig in writing. Except as expressly approved by Canrig, Customer shall not, and shall not direct or permit any third party to, disassemble, decompile, analyze, or otherwise seek to reverse engineer the Work in an effort to discover any Work's design, structure, construction, formulation, make-up, process, or procedures, or in any effort to replicate the Work or services, products, parts, supplies, or software similar to the Work.
- VI. **Rental Equipment.** The provisions of this Section VI apply to Canrig's Rental Equipment, which may include, but is not limited to top drives, catwalks, wrenches, managed pressure equipment, or any other similar types of Equipment. Rental Equipment shall be distinguished as such in this Agreement from other types of Equipment which may be available from Canrig and/or associated with a related Service, as provided herein. To the degree that any terms in this Section VI conflict with corresponding Terms herein, with regard to Rental Equipment, this Section VI shall prevail.
- A. **Rental Term.** The minimum term of any rental of Rental Equipment shall be the period stated in this Agreement; at the conclusion of such period, the rental term shall continue on a month-to-month basis until such time as either party gives the other thirty (30) days prior written notice of termination (collectively, the "Rental Term"). Notwithstanding the stated Rental Term, Canrig may terminate the Rental Term at any time in event of any default.
- B. **Cancellation.** If Customer cancels an Agreement for Rental Equipment prior to the commencement of the Rental Term, Customer shall pay or reimburse Canrig for all testing, inspection, and/or other costs incurred by Canrig prior to its receipt of Customer's notice of cancellation. If Customer cancels this Agreement for Rental Equipment after commencement of the Rental Term and prior to the end of the Rental Term, it shall remain liable for all of its obligations under this Agreement, including this Section VI.
- C. **Timing.** Shipment dates are approximate, based on Canrig's projected lead time, current inventory of Rental Equipment, availability of personnel, and commitments from suppliers. Canrig shall not be subject to any damages or penalty for making Rental Equipment available for shipment later than the approximate shipping date specified, provided, however, if any item of Rental Equipment is not available within twenty (20) days after the approximate shipping date, Customer may, as its sole and exclusive remedy, terminate this Agreement with respect to the item of Rental Equipment not available.
- D. **Fees, Invoicing and Payment.** Rental Fees shall be set out in the applicable Quotation and may include a down payment, payable on invoice prior to shipment. Rental Fees may be adjusted by Canrig upon thirty (30) days prior written notice at the end of the minimum rental term set out in the applicable Quotation or upon written notice at any time during the Rental Term when the Rental Equipment is moved from one location to another (with Canrig's prior written consent). Provided the Rental Equipment is returned to Canrig in the condition required by this Agreement, any down payment remitted shall be applicable to the final invoice upon return of the Rental Equipment. Customer shall not be entitled to receive any interest on any down payment paid. Upon Canrig's request, Customer shall furnish a written representation concerning its solvency at any time prior to shipment and at any time during the Rental Term.
1. Unless otherwise set forth in the Quotation, rental Fees accrue as follows:
- At the "Transit Rate", during the time the Rental Equipment is in transit to and from Canrig's service facility, designated in the Quotation, during delivery and return, not to exceed fifteen (15) days each way;
 - At the "Operating Rate", at all times the Rental Equipment is installed and operable;
 - At the "Stack Rate" which commences at the time the Rental Equipment arrives to the Customer, but prior to installation, and is not subject to the Operating Rate or Stand-by Rate; and
 - At the "Stand-by Rate" at all times the Rental Equipment is not charged at the Operating Rate, Stack Rate, or Transit Rate, including, rig-up and rig-down, wait time, and the time needed for the Rental Equipment to be moved by Customer from worksite to worksite (with Canrig's prior written consent).
- Notwithstanding any earlier termination of this Agreement, until the Rental Equipment is returned to and accepted by Canrig in the condition required by this Section VI, Customer shall continue to pay the rental Fees and comply with all payment and other obligations under this Agreement as though such expiration or other termination had not occurred.
2. If any portion of the Rental Equipment experiences mechanical downtime in excess of twenty-four (24) hours per calendar month or four (4) hours per incident, not including mechanical downtime due to normal service and maintenance functions, wash pipe and packing maintenance, or any Excluded Cause (as defined below), Customer may make a written request for a downtime allowance ("Downtime Allowance Request") and Canrig shall, in its sole reasonable determination, approve or reject the Downtime Allowance Request. If a Downtime Allowance Request is approved, the rental rate for the downtime in excess of twenty-four (24) hours per calendar month or four (4) hours per incident shall be zero and no other penalties or liabilities will be incurred by Canrig.
3. Canrig shall invoice Customer for amounts due pursuant to this Agreement, on a monthly basis and in accordance with Section III of these Terms. Customer shall also be responsible for payment of all costs of transportation of the Rental Equipment, including insurance, freight and brokerage costs, levies, duties, import or export charges, and related fines, penalties, or interest (collectively, "Transit Charges") from shipment to return. Customer shall timely and accurately make all filings required in connection with the transportation of the Rental Equipment. In the event Canrig pays any Taxes or Transit Charges, Customer shall, on invoice, reimburse Canrig for such charges plus fifteen percent (15%).
4. Customer's obligation to pay amounts due pursuant to this Section VI is absolute and unconditional, and Customer shall not have the right to abate, setoff, deduct, or reduce any payments for Rental Equipment for any reason. Should Customer fail to timely pay rental Fees or other amounts due to Canrig with respect to Rental Equipment, or to otherwise comply with its obligations with respect to the Rental Equipment, Canrig shall, upon seven (7) days written notice, have the right to enter upon Customer's premises to take possession of the Rental Equipment, with or without judicial process. Customer hereby waives any and all claims for damages occasioned by such taking of possession. Canrig's taking possession of the Rental Equipment shall not constitute a termination of this Agreement under which the Rental Equipment was provided, and shall not relieve Customer of its obligations pursuant to this Agreement.
- E. **Shipment and Delivery.** If shipping arrangements vary from those set forth in Section IV herein, Customer assumes all expense and risk of loss or damage to the Rental Equipment upon shipment by Canrig. The method and route of shipment to the location specified in this Agreement shall be at Canrig's discretion. Customer shall conduct a thorough visual inspection of all Rental Equipment upon its delivery to the worksite and shall promptly notify Canrig of any apparent defects or deficiencies therein or damages thereto. Within 72 hours of its first use of the Rental Equipment, Customer shall notify Canrig, in writing, if the Rental Equipment is non-operational by reason of a latent defect not discoverable from a thorough visual inspection, or otherwise fails to satisfy the material requirements of this Agreement. If Customer timely notifies Canrig that the Rental Equipment is damaged, defective, non-operational, or otherwise materially fails to satisfy the requirements of this Agreement, Canrig shall replace the Rental Equipment, at Canrig's expense, as soon as reasonably practicable after its receipt of such notice. Canrig reserves the right to make partial shipments.
- F. **Condition.** Canrig represents that all Rental Equipment shall, upon delivery to Customer, be:
- In good mechanical condition;
 - Capable of operating in accordance with its rated capacities and capabilities when operated in accordance with the Rental Equipment Instructions (as defined below);
 - Conform to any specifications set forth in this Agreement; and
 - Comply with the requirements of all applicable laws.
5. Except as expressly stated in this Section VI(F), Canrig makes no other representations or warranties whatsoever regarding Rental Equipment, hereby disclaiming any and all other warranties, express or implied, including any warranties of non-infringement, merchantability, or fitness for any particular or general purpose.
- G. **Ownership.** Notwithstanding any other terms set forth herein, the Rental Equipment shall at all times be the sole and exclusive property of Canrig. Customer shall have no rights or property interest in the Rental Equipment, except for the right to use the Rental Equipment in normal drilling operations during the Rental Term at the location(s) agreed upon by the parties. Customer shall not take any action which would prejudice the ownership of Canrig in the Rental Equipment. Canrig shall have the right to inspect the Rental Equipment wherever it is located at any time and Customer shall arrange for Canrig's full and complete access to such location.
- Customer shall keep the Rental Equipment free and clear from all claims, levies, liens, encumbrances, and process other than those arising by, through, or under Canrig. Customer shall immediately notify Canrig of any attachment or other judicial process affecting all or any part of the Rental Equipment and take all such action as may be necessary to promptly remove the same.
 - Customer shall not make any alterations, additions, or modifications to the Rental Equipment without Canrig's prior written consent, and Customer agrees that any permitted alterations, additions, or modifications shall be deemed part of the Rental Equipment for all purposes and shall become the property of Canrig.
 - Customer shall not sublet or part with possession of the Rental Equipment or any part thereof, attempt to dispose of the Rental Equipment, or transfer or assign its rights under this Agreement without the prior written consent of Canrig. No such assignment, sublease, or other parting with the possession of the Rental Equipment shall relieve the Customer of its liabilities and obligations under this Section VI.
 - The parties intend that any Agreement regarding the Rental Equipment shall be and shall be treated as:
 - An operating or true lease, for purposes of the Internal Revenue Code, as amended from time to time, or any successor statute thereto; and
 - A true lease for the purposes of the Uniform Commercial Code (as in effect in the State of Texas), as amended from time to time or any successor statute ("UCC"), and not a transaction "intended as security," as such phrase is used in the UCC.
 - Notwithstanding the foregoing, if any federal, state, or local court or any adjunct thereof shall determine or deem that this Agreement is intended as security, then Customer shall be deemed hereby to have granted, and does hereby grant to Canrig a purchase money security interest in and to the Rental Equipment and a security interest in all proceeds thereof, to secure the payment and performance of all indebtedness, liabilities, and obligations of Customer to Canrig due or to become due under the terms of this Agreement, or any renewal, modification, extension, rearrangement, or supplement thereof or thereto.
 - Customer warrants that the Rental Equipment shall at all times during the Rental Term constitute equipment and not inventory. Customer shall do, make, execute, and deliver all such additional and further acts, things, deeds, assurances, and instruments as Canrig may reasonably request in order to perfect and protect more completely Canrig's rights in and to the Rental Equipment.
- H. **Operation.** Customer shall have, assume all responsibility for, and pay all costs associated with the installation, care, custody, control, removal, and return of the Rental Equipment during the Rental Term, and agrees to use and operate the Rental Equipment in a careful and prudent manner, using only competent and properly trained employees or subcontractors, and

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only in accordance with any installation, maintenance, and/or operating procedures or instructions applicable thereto (including any applicable original equipment manufacturer specifications or warranty requirements) furnished by Canrig (collectively, "Rental Equipment Instructions") and the requirements of all applicable laws. Customer shall not move the Rental Equipment from the worksite specified in this Agreement, sublease the Rental Equipment, or allow any third party to operate such equipment without the prior written consent of Canrig. Customer shall not modify the Rental Equipment without Canrig's prior written consent, and shall not change, alter, or remove any insignia, serial number, or lettering of or on the same, or affix any of its own markings or insignia thereto.

I. Risk of Loss or Damage to Rental Equipment.

1. The entire risk of loss, destruction, or damage to the Rental Equipment from any cause or condition shall be borne solely and exclusively by Customer from the date of shipment of the Rental Equipment until it has been returned in accordance with the terms of this Agreement. No loss, theft, destruction, or damage to the Rental Equipment shall relieve Customer of the obligation to pay amounts due under or to comply with any obligation pursuant to this Agreement.
2. Customer shall immediately notify Canrig of all details concerning any damage to, or loss of the Rental Equipment arising out of any event or occurrence whatsoever, including, but not limited to, the alleged or apparent improper manufacture, functioning, or operation of the Rental Equipment. Customer shall, at its cost and expense, follow the instructions provided by Canrig with regard to repair or replacement of the Rental Equipment affected by such loss or damage.

J. Maintenance.

1. Unless otherwise specified in this Agreement, Customer shall have sole responsibility for the installation, routine inspection, service and maintenance of the Rental Equipment, and shall be responsible for furnishing or obtaining all labor, parts and other materials necessary to service and maintain the Rental Equipment in good operating condition throughout the rental period in accordance with the Rental Equipment Instructions using spare parts from the inventory consigned by Canrig, and as directed by Canrig. Customer shall be responsible for keeping and properly storing an adequate stock of consigned spare parts on-site. Any associated charges shall be invoiced to Customer as incurred and Customer shall pay such invoices in accordance with the terms of this Agreement. Customer warrants that routine maintenance shall be performed by skilled and qualified technicians trained in the function and operation of the Rental Equipment or by a repair facility designated by Canrig. Customer shall maintain reports indicating the details of all maintenance and service performed on the Rental Equipment, as well as of spare parts on hand. Customer shall provide a copy of any and all such reports to Canrig upon request, and Canrig may audit any such report at any reasonable time.
2. If agreed between Canrig and Customer in this Agreement, Customer shall have an option to elect a Canrig maintenance plan whereby Canrig shall provide an on-site technician to assist Customer in the operation and routine maintenance of the Rental Equipment at the rates set forth in such Agreement. If an on-site technician is not provided, Canrig will dispatch a technician for regularly scheduled on-site visits for maintenance monitoring, inventory audit, and personnel training. Customer shall reimburse Canrig, on invoice, for all travel costs and expenses associated with such visits. In addition, if the Canrig maintenance plan option is elected by Customer, Canrig may provide repair and replacement parts as necessary to keep the Rental Equipment in good operating condition under normal operating conditions, provided Customer provides Canrig written notice of the need for repair.
3. Notwithstanding the foregoing, Customer shall be responsible for all costs associated with Canrig's provision of repair or replacement parts or services in connection with any operational failure of the Rental Equipment which does not arise from the normal and proper use of the Rental Equipment (an "Excluded Cause"), including but not limited to, negligence, accident, misuse, improper application, and/or Customer's failure to install, maintain, transport, operate, move, or remove the Rental Equipment in accordance with the Rental Equipment Instructions. If Canrig reasonably determines that problems or failures in operation result from an Excluded Cause, Customer shall be charged for the support and remediation provided by Canrig at Canrig's then standard charges for such services, plus expenses, and Customer agrees to pay such invoice in accordance with the terms set forth in this Agreement.

K. Return of Rental Equipment. Upon expiration of the Rental Term or earlier termination of this Agreement, Customer shall return all Rental Equipment DDP Canrig's named facility (Incoterms 2010) clean, and in a condition at least equivalent to its original condition at the time of delivery, ordinary wear and tear excepted, and shall pay or reimburse Canrig for the costs of any inspections performed by Canrig or any third party engaged by Canrig for such purpose. Where Rental Equipment is returned in a condition which varies from that set forth herein, Canrig reserves the right to take any necessary action to return the Rental Equipment to such condition. In such case, all charges associated with any remediation and the disposal of any waste resulting therefrom shall be subject to reimbursement by Customer, plus, in the case of third party work, fifteen percent (15%). Notwithstanding the provisions of this Section VI, if the Rental Equipment is damaged or otherwise not returned in the same condition as delivered to Customer, ordinary wear and tear excepted, Customer shall pay to Canrig the lesser of

1. All costs incurred by Canrig to restore the same to such condition, or
2. Its replacement price (plus applicable taxes and shipping costs).

L. Rental Equipment parts or components replaced shall be charged to Customer at Canrig's current published rate or the manufacturer's current list price, as applicable. Customer shall promptly pay all applicable charges and shall retain all risk of loss or damage until Canrig has executed a written acknowledgement of return. Except as otherwise set forth in this Section VI, Rental payments shall not apply to the cost of repair or replacement.

VII. Performance Tools License.

A. Title, ownership, and all patent, trademark, copyright, trade secret, and intellectual property/proprietary rights ("Rights") to any software, firmware, PLC, or other logic instructions, configuration settings, all related documentation, and any copies and/or derivative works thereof ("Performance Tools") provided by or used in connection with any products or equipment provided by Canrig are either owned by or licensed to Canrig.

B. Accordingly, Customer understands and agrees:

1. Canrig or its licensor (as applicable) is and shall remain the sole owner of all Rights in the Performance Tools;
2. Canrig owns and reserves all Rights in any interface hardware provided to Customer for the purpose of allowing information or data to be accessible by the Performance Tools;
3. No Rights to the Performance Tools or their associated hardware are granted to Customer; and
4. The license Canrig grants to Customer herein is limited, personal, non-exclusive, non-sublicensable, and non-transferable ("Performance Tools License").

C. The Performance Tools License:

1. Provides Customer with the ability to utilize the Performance Tools exclusively as installed by Canrig solely in conjunction with Canrig's products and only for Customer's internal business purposes;
2. Prohibits the disclosure of, access to, or right to use any associated source code; and
3. Does not entitle Customer to enhancements, updates, or any other modifications to the Performance Tools or to any of the equipment on which such Performance Tools are installed.

D. Customer agrees that it shall not, without Canrig's prior written authorization:

1. Circumvent any technological measure, such as a password, encryption, or the like, used to control access to the Performance Tools;
2. Copy, reverse engineer, decompile, disassemble, or transfer the Performance Tools;
3. Attempt to derive any source code, alter default settings, translate, or convert the Performance Tools into another language or system;
4. Establish any type of interface with the Performance Tools either directly or indirectly;
5. Replace the Performance Tools or their code with any version or type not provided to Customer by Canrig; or
6. Utilize the Performance Tools in conjunction with non-Canrig products or equipment.

Customer shall promptly report to Canrig any actual or suspected violation of this Performance Tools License provision and shall take all reasonable and necessary further steps requested by Canrig to prevent or remedy any such violation.

VIII. Limited Warranty.

A. **Sales without Warranty.** If the Warranty Period is described in the Quotation as not applicable, or is described in some other fashion indicating that no such warranty is being granted, then the remaining provisions of this Section VIII do not apply and the Work is being sold by Canrig to Customer "As Is, Where Is."

B. **Services.** Canrig warrants its Services shall be performed in accordance with good oilfield practices ("Service Warranty"). Canrig does not guarantee the results of any Services it performs or represent that such Services will achieve Customer's intended objectives; however, Canrig agrees to perform its Services in a good and workmanlike manner, with reasonable diligence, using competent workmen and supervisors; in accordance with the specifications (if any) detailed in this Agreement; and in accordance with the requirements of applicable law. If Customer identifies non-compliance with the Service Warranty within ninety (90) days from the date of Canrig's performance, or in the case of an Equipment full recertification, one hundred eighty (180) days from the date of Canrig's performance, Canrig shall, at its option, re-perform or refund the price of the applicable Service.

C. **Equipment.** Canrig warrants the Equipment it manufactures and sells pursuant to this Agreement ("Canrig Equipment") shall, at the time of delivery, be free from defects in materials and workmanship ("Canrig Equipment Warranty"). Subject to all other terms of this Section VIII, Canrig agrees that Canrig Equipment shall materially conform to Canrig's published specifications, and to any additional Customer specifications mutually agreed to in writing in this Agreement. If Customer identifies non-compliance with the Canrig Equipment Warranty within the following applicable warranty periods:

1. For any Canrig Equipment that Canrig identifies in the Quotation as "Capital Equipment", the earlier of twelve (12) months from the date on which such Capital Equipment is placed into operation, or eighteen (18) months from the date of Canrig's delivery; or
2. For any other Canrig Equipment, including but not limited to that which Canrig identifies as "components, parts, or spares", ninety (90) days from the date of Canrig's delivery; Canrig shall, at its option, repair, replace, or otherwise remedy such non-compliance.

D. **Repairs.** All warranty repairs must be executed by a technician authorized by Canrig, all parts replaced by Canrig become the property of Canrig, and if requested by Canrig, Customer shall return any applicable Equipment to Canrig DDP Canrig's named facility (Incoterms 2010). For clarity, the Canrig Equipment Warranty does not apply to Rental Equipment (or similar), even if such equipment is Canrig Equipment.

E. **Replacement Parts.** Any replacement part provided by Canrig pursuant to a Canrig Equipment Warranty claim shall be subject to the Canrig Equipment Warranty for the remainder of the warranty period of the original Canrig Equipment upon which it is installed as if the part was an original component. Canrig may, at its sole discretion, and on a situational basis, agree to



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an extended warranty period for a replacement part; however, under no circumstances shall any total warranty period exceed eighteen (18) months from the date of Canrig's delivery of the original Canrig Equipment.

F. **Other Manufacturers.** No warranty is made with respect to any Equipment, including, but not limited to, component parts or accessories, manufactured by others but supplied by Canrig; however, to the extent it may do so, Canrig may use commercially reasonable efforts to assign to Customer any warranties granted to Canrig by such other manufacturers.

G. **Substitutions.** Except with respect to Canrig Equipment which is manufactured to a mutually agreed Customer specification, Canrig reserves the right to make substitutions or design and construction modifications with respect to any Canrig Equipment, provided such substitutions do not violate the Canrig Equipment Warranty.

H. **Exclusions.** There is no warranty applicable to any consumables. Further, Canrig shall have no warranty obligation under this Agreement if:

1. Customer does not report the alleged non-compliance with the applicable warranty within thirty (30) days after discovery;
2. the Equipment is modified after delivery;
3. the Equipment is subjected to improper handling, storage, installation, operation, or maintenance, including use of unauthorized replacement parts or operation under more severe conditions than those for which the Equipment is rated;
4. the Equipment (or any component thereof) requires replacement because of normal wear and tear;
5. Customer's warranty claim is based on a modification of the design of the Equipment, which was modified according to a specification provided by Customer;
6. Customer fails to implement any update, upgrade, or adjustment to the Equipment (or any component thereof) recommended by Canrig, which was made available at the time by Canrig without cost to Customer; or
7. Customer resells or rents any Equipment to a non-affiliated third party.

I. **Data.** Any data, including log data, or well or reservoir descriptions provided by Canrig and/or any of its Performance Tools, and all interpretations, recommendations and decisions resulting from the use thereof ("Data"), are inferences and assumptions based on a variety of factors which are not infallible and involve opinions and judgments about which reasonable professionals may differ. In addition, such interpretations, recommendations, and decisions may involve information and data furnished by Customer, the accuracy and reliability of which are not the responsibility of Canrig. Therefore, Canrig provides no representation or warranty for accuracy, correctness, or completeness of any Data or that the Performance Tools will be error-free. Canrig does not and cannot guarantee the accuracy of any interpretation of any Data it provides, and Customer is fully responsible for all decisions and actions it takes based on such Data. Under no circumstances should Customer treat or rely upon the use of the Performance Tools or Data, including any interpretation, recommendation, and well or reservoir description, as the basis for any decision, be it operational, technical, financial, commercial, or otherwise, relating to the wellbore, the reservoir or the field, including, but not limited to, any decision relating to well planning, drilling safety and performance, field development, well control, production optimization, contingency planning, and infrastructure and systems design and optimization. Canrig shall not be liable under any warranty for Data regardless of the alleged breach or cause, including, but not limited to, the outcome of Customer's decisions, misuse, neglect, improper installation or testing, unauthorized attempts to repair, or any force majeure event.

J. **DISCLAIMER.** THIS SECTION VIII SETS FORTH CUSTOMER'S SOLE REMEDIES AND CANRIG'S EXCLUSIVE OBLIGATION WITH REGARD TO THE WORK. EXCEPT AS EXPRESSLY STATED IN THIS SECTION VIII, THE WORK IS PROVIDED "AS IS" AND CANRIG MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, STATUTORY, OR OTHERWISE, REGARDING THE WORK AND HEREBY DISCLAIMS ALL OTHER WARRANTIES AND REPRESENTATIONS INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR OR GENERAL PURPOSE. Notwithstanding any provision set forth herein, Canrig is the sole adjudicator with respect to all warranty claims. No breach or alleged breach of warranty shall affect Customer's obligations with respect to indemnification or payment contained in this Agreement.

IX. Confidentiality.

A. Canrig and Customer acknowledge, in the performance of this Agreement, each shall have access to certain information which the other party deems proprietary or confidential. The parties agree the party who receives such information ("Recipient") shall not use and shall prevent the disclosure of any information it receives from the party providing the information ("Discloser"), whether delivered in writing, orally, or otherwise ("Confidential Information"). Recipient shall use the same degree of care, but not less than reasonable care, to avoid the disclosure of such Confidential Information as Recipient employs with respect to its own Confidential Information of like importance.

B. The parties agree that Confidential Information shall not include, and Recipient shall have no obligation with respect to any such information which Recipient can show:

1. Is known to Recipient, without any confidentiality restriction, prior to receipt from Discloser;
2. Is, or becomes publicly known through no action or inaction by Recipient;
3. Is received from a third party without breach of this Agreement or any other obligation to maintain the confidentiality of such information;
4. Is independently developed by Recipient without use of Discloser's Confidential Information; or
5. Is required to be disclosed by securities laws or the rules or regulations of a stock exchange.

Any combination of elements of information shall not be deemed to be excluded from the class of Confidential Information by reason of each such element satisfying one or more of the exclusions set forth in Section IX(B)(1-5), unless the combination itself satisfies one or more such exclusions.

C. If Recipient is required by legal process to disclose any of Discloser's Confidential Information, Recipient shall, to the extent not prohibited by law, promptly notify Discloser of such requirement so Discloser may seek an appropriate protective order or waive compliance with this Section IX. If, in the absence of a protective order or the receipt of a waiver hereunder, Recipient is compelled to disclose the Confidential Information, Recipient agrees to disclose only such of the Confidential Information as is required by such legal process and, in connection with such compelled disclosure, Recipient shall use commercially reasonable efforts to obtain from the party to whom such disclosure is made written assurance that confidential treatment will be accorded the information.

D. Discloser agrees that Recipient may disclose Discloser's Confidential Information to its affiliates and their respective employees, directors, and officers (collectively, "Representatives"), but only for the purpose of facilitating Recipient's performance under this Agreement, and only if each internal recipient of such information is informed of and agrees to comply with the use and disclosure prohibitions contained in this Section IX. Notwithstanding the foregoing, Recipient shall remain responsible for any breach of the terms of this Agreement as a result of a disclosure by its Representatives.

E. All written data delivered by Discloser to Recipient pursuant to this Agreement shall be and remain the property of Discloser, and all such written data, and all copies thereof, shall be promptly returned to Discloser upon written request, or destroyed at Discloser's option. Each of Canrig and Customer agree that monetary damages may not be a sufficient remedy for any breach of this Agreement by Recipient and Discloser shall be entitled to seek specific performance and injunctive relief as remedies for any such breach, without requirement of posting bond. Such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement but will be in addition to all other remedies available at law or in equity.

X. Indemnification.

A. As used in this Agreement, "Claims" means all liabilities, losses, costs, damages (including punitive damages), fines, penalties, causes of action, proceedings, claims, demands, and expenses (including reasonable attorney's fees) whatsoever.

B. EXCEPT AS MAY BE OTHERWISE PROVIDED IN THIS AGREEMENT, CANRIG SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS CUSTOMER AND ITS AFFILIATES, SUBSIDIARIES, PREDECESSORS, AND SUCCESSORS AND THE EMPLOYEES, DIRECTORS, AND OFFICERS OF ANY OF THEM (COLLECTIVELY, THE "CUSTOMER GROUP") FROM AND AGAINST ANY CLAIMS ARISING OUT OF, RESULTING FROM, OR RELATED TO THE PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OF ANY MEMBER OF CANRIG GROUP (AS DEFINED BELOW) ARISING OUT OF OR IN CONNECTION WITH THE WORK.

C. EXCEPT AS MAY BE OTHERWISE PROVIDED IN THIS AGREEMENT, CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS CANRIG AND ITS AFFILIATES, SUBSIDIARIES, PREDECESSORS, AND SUCCESSORS AND THE EMPLOYEES, DIRECTORS, AND OFFICERS OF ANY OF THEM (COLLECTIVELY, "CANRIG GROUP") FROM AND AGAINST ANY CLAIMS ARISING OUT OF, RESULTING FROM, OR RELATED TO THE PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE OF ANY MEMBER OF THE CUSTOMER GROUP ARISING OUT OF OR IN CONNECTION WITH THE WORK.

D. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND, AND HOLD HARMLESS CANRIG GROUP FROM AND AGAINST ANY CLAIMS ARISING FROM OR RELATED TO:

1. DAMAGE TO OR LOSS OF THE HOLE, INCLUDING THE CASING THEREIN;
2. DAMAGE TO OR LOSS OF CANRIG GROUP'S (OR ITS SUBCONTRACTOR'S) IN-HOLE EQUIPMENT WHILE IN THE HOLE BELOW THE ROTARY TABLE;
3. DAMAGE TO OR LOSS OF CANRIG GROUP'S (OR ITS SUBCONTRACTOR'S) EQUIPMENT, INCLUDING CORROSION AND CONTAMINATION THEREOF, RESULTING FROM THE PRESENCE OF H₂S, CO₂, OR OTHER CORROSIVE, DESTRUCTIVE, OR ABRASIVE ELEMENTS INTRODUCED INTO THE DRILLING FLUID (INCLUDING ELEMENTS INTRODUCED FROM THE HOLE);
4. ANY MATTER INVOLVING THE RENTAL EQUIPMENT, INCLUDING, BUT NOT LIMITED TO:
 - a. DAMAGE, DESTRUCTION, FAILURE, DELIVERY, USE, OPERATION, MAINTENANCE, TRANSFER, TRANSPORTATION, OR DISPOSAL;
 - b. CUSTOMER GROUP'S VIOLATION OR ALLEGED VIOLATION OF ANY FEDERAL, STATE, COUNTY OR LOCAL LAWS OR REGULATION, INCLUDING WITHOUT LIMITATION, THE LAWS AND REGULATIONS GOVERNING IMPORT AND EXPORT, PRODUCT SAFETY, LABELING, PACKAGING AND LABOR PRACTICES; OR CUSTOMER'S BREACH OF THIS AGREEMENT.
5. DAMAGE TO, DESTRUCTION OF, OR LOSS OR IMPAIRMENT OF ANY PROPERTY RIGHT IN OR TO OIL, GAS, OR OTHER MINERAL SUBSTANCE OR WATER, IF AT THE TIME OF THE ACT OR OMISSION CAUSING SUCH DAMAGE, DESTRUCTION, LOSS, OR IMPAIRMENT, SAID SUBSTANCE HAD NOT BEEN REDUCED TO PHYSICAL POSSESSION ABOVE THE SURFACE OF THE EARTH;
6. LOSS OF OR DAMAGE TO ANY PROPERTY, EQUIPMENT, STRUCTURE, FORMATION, STRATA, OR RESERVOIR BENEATH THE SURFACE OF THE EARTH;
7. LOSS OF WELL CONTROL;
8. CATASTROPHIC LOSSES, INCLUDING, BUT NOT LIMITED TO, THAT WHICH MAY RESULT FROM:
 - a. ANY BLOWOUT, FIRE, EXPLOSION, OR OTHER CATASTROPHIC EVENT RESULTING IN A WILD WELL, OR ANY FIRE OR EXPLOSION AT THE WORKSITE, AND ALL COSTS ASSOCIATED WITH ANY OF THE FOREGOING EVENTS, INCLUDING:

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- (i) THE COST OF REGAINING CONTROL OF A WILD WELL;
(ii) DAMAGES CAUSED TO A RIG, PLATFORM, VESSEL, PIPELINE, ANY SUBSEA STRUCTURE, OR ANY OTHER OIL AND GAS INFRASTRUCTURE ITEM,
(iii) ANY DOWNTIME OR REMEDIATION/RECOVERY TIME,
(iv) ANY COSTS OF CLEAN UP OR REMEDIATION WITH RESPECT TO ANY CONTAMINATION OR POLLUTION, AND/OR
(v) THE COSTS OF REMOVING DEBRIS OR WRECKAGE;
b. LOSS OR DAMAGE TO ANY RESERVOIR, FORMATION, OR WELL BORE, AND ANY OTHER SUBSURFACE AND SUBSEA LOSS OR DAMAGE, AND/OR THE COST OF REDRILLING A WELL OR FISHING; AND/OR
c. ANY LOSS, DAMAGE, INJURY AND/OR DEATH SUFFERED OR SUSTAINED BY ANY THIRD PARTY RESULTING FROM ANY OF THE EVENTS DESCRIBED IN SECTIONS X(D)(8)(a) OR X(D)(8)(b) ABOVE, INCLUDING LOSS OF, OR DAMAGE TO, OIL OR GAS PRODUCTION FACILITIES, PIPELINES, FLOW LINES, SUBSEA STRUCTURES, OR ANY OTHER THIRD-PARTY PROPERTY, INSTALLATIONS, RIGS, PLATFORMS, OR VESSELS.
FOR PURPOSES OF THIS SECTION X(D), "WILD WELL" MEANS A WELL IN WHICH THE ESCAPE OF OIL OR GAS IS NOT INTENDED AND CANNOT BE CONTROLLED BY EQUIPMENT USED IN NORMAL DRILLING PRACTICE.
- E. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IT IS UNDERSTOOD AND AGREED BY AND BETWEEN CANRIG AND CUSTOMER THAT THE RESPONSIBILITY FOR POLLUTION OR CONTAMINATION SHALL BE AS FOLLOWS:
- CANRIG SHALL ASSUME ALL RESPONSIBILITY AND LIABILITY FOR (INCLUDING CONTROL AND REMOVAL OF THE POLLUTANT INVOLVED) AND SHALL RELEASE, DEFEND, INDEMNIFY, AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ALL CLAIMS ARISING FROM ALL POLLUTION OR CONTAMINATION THAT ORIGINATES ABOVE THE SURFACE OF THE LAND, OR IF OFFSHORE, THE SURFACE OF THE WATER, FROM SPILLS OF FUELS, LUBRICANTS, MOTOR OILS, PIPE DOPE, PAINTS, SOLVENTS, BALLAST, BILGE AND GARBAGE, EXCEPT UNAVOIDABLE POLLUTION OF OR FROM RESERVE PITS, WHOLLY IN CANRIG'S POSSESSION AND CONTROL AND DIRECTLY ORIGINATING FROM CANRIG'S EQUIPMENT (OTHER THAN RENTAL EQUIPMENT) AND FACILITIES;
 - CUSTOMER SHALL ASSUME ALL RESPONSIBILITY FOR (INCLUDING CONTROL AND REMOVAL OF THE POLLUTANT INVOLVED) AND SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CANRIG GROUP HARMLESS FROM AND AGAINST ALL CLAIMS ARISING FROM ALL POLLUTION OR CONTAMINATION, OTHER THAN THAT DESCRIBED IN SECTION X(E)(1) ABOVE, INCLUDING, BUT NOT LIMITED TO, THAT WHICH MAY RESULT FROM FIRE, BLOWOUT, CRATERING, SEEPAGE OR ANY FLOW OF GAS, WATER OR OTHER SUBSTANCE, OR THE USE OR DISPOSITION OF DRILLING AND COMPLETION FLUIDS (INCLUDING OIL EMULSION, OIL BASE OR CHEMICALLY TREATED FLUIDS), CONTAMINATED CUTTINGS OR CARVINGS, LOST CIRCULATION AND FISH RECOVERY MATERIALS AND FLUIDS; AND
 - IN THE EVENT A THIRD PARTY COMMITS AN ACT OR OMISSION THAT RESULTS IN POLLUTION OR CONTAMINATION FOR WHICH EITHER CANRIG OR CUSTOMER, FOR WHOM SUCH PARTY IS PERFORMING WORK, IS HELD TO BE LEGALLY LIABLE, THE RESPONSIBILITY THEREFOR SHALL BE CONSIDERED, AS BETWEEN CANRIG AND CUSTOMER, TO BE THE SAME AS IF THE PARTY FOR WHOM THE WORK WAS PERFORMED HAS PERFORMED THE SAME AND ALL OF THE OBLIGATIONS RESPECTING RELEASE, DEFENSE, INDEMNITY, HOLDING HARMLESS AND LIMITATION OF RESPONSIBILITY AND LIABILITY, AS SET FORTH IN THIS SECTION X(E), SHALL BE SPECIFICALLY APPLIED.
- F. THE LIMITATION, LIABILITY, RELEASE, DEFENSE, AND INDEMNITY PROVISIONS CONTAINED IN THIS AGREEMENT SHALL APPLY NOTWITHSTANDING ANY BREACH OR ALLEGED BREACH OF THIS AGREEMENT OR ANY CONTRACT, OR THE VIOLATION OR ALLEGED VIOLATION OF ANY LAWS, AND SHALL BE WITHOUT REGARD TO CAUSE OR CAUSES, INCLUDING, BUT NOT LIMITED TO, PRE-EXISTING DEFECTS IN EQUIPMENT (OR RENTAL EQUIPMENT) OR MATERIALS, THE NEGLIGENCE, WHETHER SOLE, CONCURRENT, ACTIVE, PASSIVE, SIMPLE, GROSS, PRIMARY OR SECONDARY, OF EITHER PARTY OR ANY OTHER PERSON, INCLUDING, BUT NOT LIMITED TO, THE PARTY OR PERSON BEING RELEASED OR INDEMNIFIED, OR OTHERWISE, STRICT LIABILITY OR THE UNSEAWORTHINESS OF ANY VESSEL, INGRESS AND EGRESS, LOADING AND UNLOADING.
- G. If it is judicially determined that the monetary limits of the indemnities voluntarily assumed hereunder (or of the insurance required under Section XI) exceed the maximum limits permitted under applicable law, it is agreed that said indemnities or insurance requirements shall automatically be amended to conform to the maximum monetary limits permitted under such law.
- XI. Insurance. Canrig and Customer each agree to procure and maintain insurance in support of their respective indemnification obligations pursuant to this Agreement in mutually agreed, equal amounts. Each party agrees that the mutual amount of such supporting insurance shall be the lesser of the maximum amount carried by either party at the time of the incident giving rise to the claim. If a party does not carry or fails to maintain insurance as mutually agreed, such party will be deemed to be self-insured in an amount equal to the amount of insurance carried by the other party in compliance with this Section XI. Customer shall name Canrig Group as an additional insured under Customer's insurance policies, shall provide that Customer's underwriters and insurance companies shall not have any right of subrogation against Canrig Group or their underwriters and insurance companies, and shall provide the Customer's insurance will be primary and non-contributory in relation to any insurance Canrig Group may carry. Customer shall provide a certificate of insurance evidencing the requirements in this Agreement upon request by Canrig.
- XII. Limitation of Liability. EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, AND EXCEPT FOR CLAIMS ARISING FROM A BREACH OF SECTIONS V (PROPRIETARY WORKS) OR VII (PERFORMANCE TOOLS LICENSE), AND EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THESE TERMS, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, STATUTORY, PUNITIVE, OR EXEMPLARY DAMAGES (WHETHER OR NOT FORESEEABLE); LOST REVENUE OR PROFITS; LOSS OR DELAY OF USE OR PRODUCTION; RESERVOIR LOSS OR DAMAGE; LIQUIDATED OR BUSINESS INTERRUPTION DAMAGES; OR ANY OTHER DAMAGES NOT MEASURED BY ACTUAL DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL CANRIG GROUP'S LIABILITY TO CUSTOMER GROUP EXCEED THE AMOUNT RECEIVED BY CANRIG FROM CUSTOMER UNDER THIS AGREEMENT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO THE CLAIM, NOT TO EXCEED ONE MILLION DOLLARS (\$1,000,000.00) (THE "LIABILITY CAP"), AND CUSTOMER HEREBY WAIVES AND RELEASES CANRIG GROUP FROM ANY SUCH LIABILITY IN EXCESS OF THE LIABILITY CAP. THE PARTIES ACKNOWLEDGE THAT THE FEES ARE BASED ON THE AGREED ALLOCATION OF RISK IN THESE TERMS. IF, NOTWITHSTANDING THIS AGREEMENT, A COURT OF COMPETENT JURISDICTION DETERMINES ANY TERMS AND CONDITIONS OTHER THAN THESE TERMS APPLY TO THIS AGREEMENT, CANRIG SHALL HAVE THE RIGHT TO EITHER:
- MODIFY THE PRICES OR FEES (INCLUDING RETROACTIVELY) ACCORDING TO THE ADDITIONAL LEVEL OF RISK AND RESPONSIBILITY THE TERMS AND CONDITIONS REQUIRE CANRIG TO UNDERTAKE OR
 - TERMINATE THIS AGREEMENT AT ANY TIME WITHOUT LIABILITY FOR SUCH TERMINATION.
- XIII. Cancellation of Work.
- Subject to the provisions of this Section XIII, Customer may cancel this Agreement prior to being notified by Canrig that the applicable Work is ready for delivery or complete, by providing Canrig with a written notice of cancellation.
 - With respect to the cancellation of this Agreement for:
 - Equipment or Performance Tools, Customer shall pay or reimburse Canrig the greater of:
 - A cancellation fee of twenty-five percent (25%) of the price of the cancelled Work, or
 - The vendor termination fees or charges incurred by Canrig with respect to any cancelled Order.
 - Equipment which has been or is being specially manufactured or modified to Customer's specifications, Customer shall pay or reimburse Canrig:
 - The costs and fees described in Section XII(B)(1) above, and
 - The full cost of any raw materials or component parts purchased for that Equipment, after receipt of which Canrig shall deliver the raw materials and component parts to Customer, at Customer's expense, without any warranty of any kind.
 - Services, Customer shall pay or reimburse Canrig for
 - All Services performed prior to the date Canrig receives the notice of cancellation,
 - All costs incurred by Canrig which would not have been incurred, but for the cancellation, including vendor or subcontractor termination fees or charges; and
 - Any mobilization and demobilization costs incurred by Canrig.
 - Canrig may terminate this Agreement without prior notice if it is assigned by Customer without Canrig's prior written consent or if there is a change in the control or management of Customer which is unacceptable to Canrig.
 - The provisions of this Agreement which by their nature are reasonably intended by the parties to survive its cancellation, expiration or termination, including, but not limited to, Sections II-XII, and XVI-XXII, shall survive the cancellation, expiration, or termination of this Agreement.
- XIV. Change Orders, Amendments.
- Any Customer request for changes in the scope and/or scheduling of the Work must be given in the form of a written change order ("Change Order").
 - Upon Canrig's receipt of a Change Order, the parties shall negotiate in good faith the scope of Work to be included therein. Each Change Order shall reference the original Agreement and shall specify:
 - The changes in the scope or timing of the Work to be provided under the affected Agreement, and
 - The adjustment (if any) to be made to the Fees and other amounts due to Canrig in connection therewith.
 - Once mutually agreed, such Change Order shall be executed on behalf of each party by an authorized officer, and shall be considered an amendment to this Agreement, subject to these Terms ("Amendment").
 - Notwithstanding the foregoing, Canrig reserves the right to invoice Customer after delivery for additional costs associated with Change Orders, regardless of whether such cost was foreseeable. Customer shall pay such invoices in accordance with the Change Order and Section III of these Terms.



Quotation:

Company:

- D. Requests for change may be given orally to Canrig's worksite supervisor when the worksite or other conditions demand an immediate response (and Canrig may rely on the authority of any Customer representative who makes such oral request); however, such request shall be documented in a mutually acceptable Amendment within seven (7) days of Canrig's receipt of the oral request, failing which, Canrig shall not be required to continue with any requested changes to the Work, and may suspend the Work unless and until an appropriate Amendment has been executed. If the parties are unable to agree upon or fail to timely execute an Amendment with respect to orally requested changes to the Work, Canrig shall be entitled to permanently suspend the Work and cancel the affected Agreement, and Customer shall pay Canrig for all Work performed prior to the date of cancellation, as well as any applicable mobilization or demobilization charges or other costs incurred by Canrig.
- XV. **Force Majeure.** Canrig shall not be liable for any delays in delivery or performance, or for failure to deliver or perform, due to any Force Majeure Event. "Force Majeure Event" means any cause beyond Canrig's reasonable control, including, but not limited to, acts of God, acts of governmental authority, acts of civil or military authority, acts of terrorism, governmental priorities, strikes or other labor disturbances, floods, named storms, epidemics, war, riot, delays in transportation or railcar shortages, unavailability on reasonable commercial terms of necessary labor, materials, components, services, facilities, energy, fuel, or transportation, or delays in or unavailability of necessary government or governmental agency authorizations or instructions. Canrig may, in its sole discretion, terminate this Agreement upon notice to Customer for any Force Majeure Event lasting more than fourteen (14) days.
- XVI. **Compliance with Regulations and Laws.**
- Canrig shall comply with its own safety rules and regulations as well as all applicable state and federal safety standards and shall comply with such safety rules as may be reasonably requested by Customer and provided to Canrig in advance of any Work performed for Customer.
 - Customer agrees that it shall comply in all material respects with all relevant and applicable provisions of national, state, and local laws and regulations including, but not limited to, all export/import control laws and regulations and all laws and regulations regarding the procurement, production, storage, transportation, zoning, and/or sale of any hazardous, toxic, or other regulated substances.
 - Customer acknowledges that its receipt and/or use of the products and services associated with the Work is subject to United States Government import and export laws and regulations (including, but not limited to, the U.S. Export Administration Regulations at 15 C.F.R. Part 730 et. seq., and the U.S. Office of Foreign Assets Control ("OFAC") Regulations at 31 C.F.R. Part 500 et. seq.), and may be subject to other similar foreign laws and regulations. Customer is solely responsible for and will comply with such laws and regulations. Customer warrants that it is legally eligible to procure the products and services contemplated pursuant to this Agreement, and, specifically, Customer warrants that it is not named on any of the following:
 - OFAC's Specially Designated Nationals or Blocked Persons List;
 - OFAC's Consolidated Sanctions List or any of its component lists;
 - The Denied Persons List of the U.S. Department of Commerce Bureau of Industry and Security; or
 - Any similar table of denial orders or entity lists.
 - Customer agrees that it will not, directly or indirectly, sell, transfer, license, import, export, re-export, utilize, and/or enable the utilization of any of Canrig's products or services in violation of any applicable U.S. or foreign import or export laws or regulations.
 - Should Customer learn of or have reason to know of any violation of this Section XVI, Customer will immediately advise Canrig of its knowledge or suspicion in writing. Customer shall use its best efforts to assist Canrig in validating evidence relating to any potential violation, and shall provide Canrig access to Customer's relevant documentation or correspondence to obtain such information.
 - In the event Canrig reasonably believes or learns Customer has violated or intends to violate this Section XVI, Canrig has the right, in its sole discretion to:
 - Review Customer's relevant records to obtain this information,
 - Provide written notice to the appropriate government agency of its knowledge or suspicion, and/or
 - Terminate this Agreement with immediate effect, without notice or penalty, in addition to, and not in lieu of all other remedies available to Canrig due to Customer's default.
 - Customer agrees to complete Canrig's end-use, end-user, and end-destination documentation when requested.
 - Canrig complies with, and requires that each member of the Customer Group comply with, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and/or any applicable laws related to anti-corruption, anti-kickbacks, and anti-money laundering with regards to the Work. Customer shall make no facilitating payments, or grease payments, with regards to the Work.
 - Canrig, its affiliates, and/or its agents or Representatives bear no responsibility to notify Customer of any regulatory changes which may limit the use of the Work.
- VII. **Assignment, Successors, and Assigons.** Except to an affiliate, this Agreement may not be assigned by either Customer or Canrig to any person or entity without the other party's written consent. Notwithstanding the foregoing, Canrig may assign its right to payment to any person or entity without Customer's consent.
- VIII. **Entire Agreement.** This Agreement is the final, complete, and exclusive agreement between the parties with regard to the subject matter addressed herein and supersedes all proposals, oral or written, and all other communications between the parties relating to the subject matter of this Agreement. Any representation, promise, course of dealing or trade usage not contained or referenced herein shall not be binding on Canrig. No modification, amendment, rescission, waiver, or other change shall be binding on Canrig unless agreed to in writing by Canrig's authorized representative. To the extent there is a conflict between these Terms and any other document, these Terms control.
- IX. **Severability and Waiver.** If any provision of these Terms is invalid, illegal, or unenforceable in any jurisdiction, for any reason, the invalidity, illegality, or unenforceability of that provision will not affect any other provision in this Agreement, but the invalid, illegal, or unenforceable provision will be substituted with a valid provision that most closely approximates the intent and the economic effect of the original provision and that would be enforceable to the maximum extent permitted in the jurisdiction.
- X. **Applicable Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Texas, excluding the conflict of laws provisions thereof that would otherwise require the application of the law of any other jurisdiction. The parties agree to the exclusive jurisdiction of the Federal or State courts of Texas with respect to any dispute between the parties arising out of this Agreement or the performance thereof, including, but not limited to, its interpretation or the breach of or performance required herein. The parties submit to the personal jurisdiction of the Federal and State courts of Texas with respect to any dispute between the parties arising out of this Agreement or the performance thereof including, but not limited to, its interpretation or the breach of or performance required. The parties agree that the venue for any action arising out of this Agreement or the performance thereof including, but not limited to, its interpretation or the breach of or performance required by this Agreement shall be in the Federal or State courts of Houston, Texas. The parties expressly disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods. The parties have expressly required that these Terms be prepared in the English language.
- XI. **Waiver of Sovereign Immunity.** IF CUSTOMER IS OWNED, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, BY ANY COUNTRY OR SOVEREIGN, OR IS AN AUTHORITY OR AGENCY OF ANY COUNTRY OR SOVEREIGN, THEN CUSTOMER HEREBY WAIVES ANY AND ALL RIGHTS AND IMMUNITIES, INCLUDING WITHOUT LIMITATION, ANY IMMUNITIES FROM LAWSUITS, CLAIMS, PREJUDGMENT SEIZURE, ARREST, OR ATTACHMENT IT MAY HAVE UNDER ANY STATUTE, LAW, RULE, OR REGULATION OF ANY COUNTRY OR SOVEREIGN.
- XII. **Nabors Dispute Resolution Program.** Customer is cognizant of the Nabors Dispute Resolution Program and wishes to become an Electing Entity, as defined in that Program. Accordingly, Customer and Canrig hereby agree that Customer is an Electing Entity as to all Disputes between Customer and Canrig's present and former employees and applicants pursuant to the Nabors Dispute Resolution Program as it currently exists and as may be amended from time to time. Customer understands that it is bound by the terms of the Program with respect to all Disputes with Canrig's employees, regardless of whether such Dispute is initiated by the employee or by Customer.
- XIII. **Acknowledgement and Acceptance.** Canrig may revise and update these Terms from time-to-time, and this Agreement will be subject to the most recent version of these Terms. In accepting Work from Canrig, Customer shall be deemed to have accepted these Terms, unless Canrig and Customer have entered into a separate, written master agreement or other contract which governs the Work signed by authorized officers of each of Customer and Canrig.

End of Terms

Initials:

Customer

Canrig

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

CANRIG INVOICE

Page : 1
Invoice No : C074-10560
Invoice Date : 09/17/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$24,965.70

**Customer :**

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Glasscock
STATE : Texas
LEASE : FURQUERON #1HD
WELL : PERFORMNCE28
PO# 282390

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
07/02/2018	07/31/2018	07/31/2018	074RT001188000	POWERCAT RENTAL		Y	074RT	30.00	DAY	750.00	22,500.00
07/01/2018	07/01/2018			POWERCAT STANDBY RATE		Y	074RT	1.00	DAY	563.00	563.00
Ticket Total:											23,063.00
Well Total :											23,063.00
Lease Total :											23,063.00
SUBTOTAL:											23,063.00
Taxes For											
CITY OF ODESSA										1.2500%	\$288.29
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$172.97
STATE OF TEXAS										6.2500%	\$1,441.44
TOTAL AMOUNT DUE:											24,965.70



CANRIG INVOICE

Please Remit To :
 Canrig Drilling Technology Ltd.
 P.O. Box 206317
 Dallas TX 75320-6317

Page : 1
 Invoice No :
 Invoice Date : 08/30/2018
 Customer Number : 942411
 Payment Terms : Net30
 AMOUNT DUE : \$24,965.70

Customer :
 PERFORMANCE DRILLING CO LLC
 PO BOX 1748
 BRANDON MS 39043

COUNTY : Glasscock
 STATE : Texas
 LEASE : FURQUERON #1HD
 WELL : PERFORMNCE28

PO# 282390

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment #	Quantity	UOM	Unit Amount	Net Amount
07/02/2018	07/31/2018	07/31/2018	074RT001188000	POWERCAT RENTAL		Y	074RT	30.00	DAY	750.00	22,500.00
07/01/2018	07/01/2018			POWERCAT STANDBY RATE		Y	074RT	1.00	DAY	563.00	563.00
										Ticket Total:	23,063.00
										Well Total :	23,063.00
										Lease Total :	23,063.00
										SUBTOTAL:	23,063.00
										Taxes For:	
										CITY OF ODESSA	1.2500% \$286.29
										ECTOR CO HOSPITAL DISTRICT	0.7500% \$172.97
										STATE OF TEXAS	6.2500% \$1,441.44
										TOTAL AMOUNT DUE:	24,965.70

PROFORMA

Houston Callender

PO# 282390

Well- Oso #114

CANRIG INVOICE

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10678
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$48,496.00

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Glasscock
STATE : Texas
LEASE : FURQUERON #1HD
WELL : PERFORMNC28
PO# 282693

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount	
07/15/2018	07/31/2018	07/31/2018	074RT001188431	TOPDRIVE RENTAL		Y	074RT	16.00	DAY	2,800.00	44,800.00	
										Ticket Total:	44,800.00	
										Well Total :	44,800.00	
										Lease Total :	44,800.00	
										SUBTOTAL:	44,800.00	
										Taxes For		
										CITY OF ODESSA	1.2500%	\$560.00
										ECTOR CO HOSPITAL DISTRICT	0.7500%	\$336.00
										STATE OF TEXAS	6.2500%	\$2,800.00
										TOTAL AMOUNT DUE:	48,496.00	



CANRIG INVOICE

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10557
Invoice Date : 09/17/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$11,779.77

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Glasscock
STATE : Texas
LEASE : FURQUERON #1HD
WELL : PERFORMNC28
PO# 282391

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
08/01/2018	08/31/2018	08/31/2018	074RT001188333	POWERCAT RENTAL		Y	074RT	4.00	DAY	750.00	3,000.00
08/15/2018	08/18/2018			POWERCAT STANDBY RATE		Y	074RT	14.00	DAY	563.00	7,882.00
Ticket Total:											10,882.00
Well Total :											10,882.00
Lease Total :											10,882.00
SUBTOTAL:											10,882.00
Taxes For											
CITY OF ODESSA										1.2500%	\$136.03
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$81.62
STATE OF TEXAS										6.2500%	\$680.12
TOTAL AMOUNT DUE:											11,779.77



CANRIG INVOICE

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No :
Invoice Date : 08/31/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$11,779.77

Customer :
PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Glasscock
STATE : Texas
LEASE : FURQUERON #1HD
WELL : PERFORMNC28
PO# **282391**

For billing questions, please call

281-259-8887

TERMS: Invoice payable Net 30 days from invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment #	Quantity	UOM	Unit Amount	Net Amount
08/01/2018	08/31/2018	08/31/2018	074RT001188333	POWERCAT RENTAL		Y	074RT	4.00	DAY	750.00	3,000.00
08/15/2018	08/18/2018			POWERCAT STANDBY RATE		Y	074RT	14.00	DAY	563.00	7,882.00
										Ticket Total:	10,882.00
										Well Total :	10,882.00
										Lease Total :	10,882.00
										SUBTOTAL:	10,882.00
										Taxes For:	
										CITY OF ODESSA	1.2500% \$136.03
										ECTOR CO HOSPITAL DISTRICT	0.7500% \$81.62
										STATE OF TEXAS	6.2500% \$680.12
										TOTAL AMOUNT DUE:	11,779.77

PROFORMA

Houston Callender

PO# 282391

Well- Also #1Hc

EXHIBIT "B" - Page 30 of 97

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

CANRIG INVOICE

Page : 1
Invoice No : C074-10676
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$83,352.50

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OSO #1H
WELL : PERFORMNC28
PO# 282695

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
08/01/2018	08/04/2018	08/31/2018	074RT001188432	TOPDRIVE RENTAL		Y	074RT	4.00	DAY	2,800.00	11,200.00
08/19/2018	08/31/2018			TOPDRIVE RENTAL		Y	074RT	13.00	DAY	2,800.00	36,400.00
08/05/2018	08/18/2018			TOPDRIVE STANDBY		Y	074RT	14.00	DAY	2,100.00	29,400.00
Ticket Total:											77,000.00
Well Total :											77,000.00
Lease Total :											77,000.00
SUBTOTAL:											77,000.00
Taxes For											
CITY OF ODESSA										1.2500%	\$962.50
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$577.50
STATE OF TEXAS										6.2500%	\$4,812.50
TOTAL AMOUNT DUE:											83,352.50

CANRIG INVOICE

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10555
Invoice Date : 09/17/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$10,554.38

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OSO #1H
WELL : PERFORMNC28
PO#282391

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount	
08/19/2018	08/31/2018	08/31/2018	074RT001188336	POWERCAT RENTAL		Y	074RT	13.00	DAY	750.00	9,750.00	
										Ticket Total:	9,750.00	
										Well Total :	9,750.00	
										Lease Total :	9,750.00	
										SUBTOTAL:	9,750.00	
										Taxes For		
										CITY OF ODESSA	1.2500%	\$121.88
										ECTOR CO HOSPITAL DISTRICT	0.7500%	\$73.13
										STATE OF TEXAS	6.2500%	\$609.37
										TOTAL AMOUNT DUE:	10,554.38	



CANRIG INVOICE

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No :
Invoice Date : 08/31/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$10,554.38

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OSO #1H
WELL : PERFORMNC28
PO# 282391

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment #	Quantity	UOM	Unit Amount	Net Amount
08/19/2018	08/31/2018	08/31/2018	074RT001188336	POWERCAT RENTAL		Y	074RT	13.00	DAY	750.00	9,750.00
										Ticket Total:	9,750.00
										Well Total :	9,750.00
										Lease Total :	9,750.00
										SUBTOTAL:	9,750.00
										Taxes For:	
										CITY OF ODESSA	1.2500% \$121.88
										ECTOR CO HOSPITAL DISTRICT	0.7500% \$73.13
										STATE OF TEXAS	6.2500% \$609.37
										TOTAL AMOUNT DUE:	10,554.38

PROFORMA

Houston Call
PO# 282391
Well - Oso #1H



CANRIG INVOICE

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10677
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$115,286.25

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OSO #1H
WELL : PERFORMNC28
PO# 282694

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount	
09/01/2018	09/30/2018	09/30/2018	074RT001188627	POWERCAT RENTAL		Y	074RT	30.00	DAY	750.00	22,500.00	
09/01/2018	09/30/2018			TOPDRIVE RENTAL		Y	074RT	30.00	DAY	2,800.00	84,000.00	
										Ticket Total:	106,500.00	
										Well Total :	106,500.00	
										Lease Total :	106,500.00	
										SUBTOTAL:	106,500.00	
										Taxes For		
										CITY OF ODESSA	1.2500%	\$1,331.25
										ECTOR CO HOSPITAL DISTRICT	0.7500%	\$798.75
										STATE OF TEXAS	6.2500%	\$6,656.25
										TOTAL AMOUNT DUE:	115,286.25	

EXHIBIT "B" - Page 34 of 97

CANRIG INVOICE

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10636
Invoice Date : 01/23/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$107,607.00

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OX #1HR
WELL : PERFORM 28
PO# 282524

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
10/01/2018	10/13/2018	10/31/2018	074RT001189003	POWERCAT RENTAL		Y	074RT	13.00	DAY	750.00	9,750.00
10/21/2018	10/26/2018			POWERCAT RENTAL		Y	074RT	6.00	DAY	750.00	4,500.00
10/14/2018	10/20/2018			POWERCAT STANDBY RATE		Y	074RT	7.00	DAY	563.00	3,941.00
10/27/2018	10/31/2018			POWERCAT STANDBY RATE		Y	074RT	5.00	DAY	563.00	2,815.00
Ticket Total:											21,006.00
10/01/2018	10/13/2018	10/31/2018	074RT001189072	TOPDRIVE RENTAL		Y	074RT	13.00	DAY	2,800.00	36,400.00
10/21/2018	10/26/2018			TOPDRIVE RENTAL		Y	074RT	6.00	DAY	2,800.00	16,800.00
10/14/2018	10/20/2018			TOPDRIVE STANDBY		Y	074RT	7.00	DAY	2,100.00	14,700.00
10/27/2018	10/31/2018			TOPDRIVE STANDBY		Y	074RT	5.00	DAY	2,100.00	10,500.00
Ticket Total:											78,400.00
Well Total :											99,406.00
Lease Total :											99,406.00
SUBTOTAL:											99,406.00
Taxes For											
CITY OF ODESSA										1.2500%	\$1,242.58
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$745.55
STATE OF TEXAS										6.2500%	\$6,212.87
TOTAL AMOUNT DUE:											107,607.00

EXHIBIT "B" - Page 35 of 97

CANRIG INVOICE

CANRIG

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No :
Invoice Date : 11/19/2018
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$107,607.00

Customer :
PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OSO #1H
WELL : PERFORMNC28
PO#

For billing questions, please call

281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment #	Quantity	UOM	Unit Amount	Net Amount
10/01/2018	10/13/2018	10/31/2018	074RT001189003	POWERCAT RENTAL		Y	074RT	13.00	DAY	750.00	9,750.00
10/21/2018	10/26/2018			POWERCAT RENTAL		Y	074RT	6.00	DAY	750.00	4,500.00
10/14/2018	10/20/2018			POWERCAT STANDBY RATE		Y	074RT	7.00	DAY	563.00	3,941.00
10/27/2018	10/31/2018			POWERCAT STANDBY RATE		Y	074RT	5.00	DAY	563.00	2,815.00
Ticket Total:											21,006.00
10/01/2018	10/13/2018	10/31/2018	074RT001189072	TOPDRIVE RENTAL		Y	074RT	13.00	DAY	2,800.00	36,400.00
10/21/2018	10/26/2018			TOPDRIVE RENTAL		Y	074RT	6.00	DAY	2,800.00	16,800.00
10/14/2018	10/20/2018			TOPDRIVE STANDBY		Y	074RT	7.00	DAY	2,100.00	14,700.00
10/27/2018	10/31/2018			TOPDRIVE STANDBY		Y	074RT	5.00	DAY	2,100.00	10,500.00
Ticket Total:											78,400.00
Well Total :											99,406.00
Lease Total :											99,406.00
SUBTOTAL:											99,406.00
Taxes For:											

CITY OF ODESSA 1.2500% \$1,242.58
ECTOR CO HOSPITAL DISTRICT 0.7500% \$745.55
STATE OF TEXAS 6.2500% \$6,212.87

TOTAL AMOUNT DUE: 107,607.00

CANRIG INVOICE

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10675
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$232,495.03

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : OX #1HR
WELL : PERFORM 28
PO# 282699

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
11/03/2018	11/30/2018	11/30/2018	074RT001189134	POWERCAT RENTAL		Y	074RT	28.00	DAY	750.00	21,000.00
11/01/2018	11/02/2018			POWERCAT STANDBY RATE		Y	074RT	2.00	DAY	563.00	1,126.00
Ticket Total:											22,126.00
11/03/2018	11/30/2018	11/30/2018	074RT001189135	TOPDRIVE RENTAL		Y	074RT	28.00	DAY	2,800.00	78,400.00
11/01/2018	11/02/2018			TOPDRIVE STANDBY		Y	074RT	2.00	DAY	2,100.00	4,200.00
Ticket Total:											82,600.00
12/01/2018	12/31/2018	12/31/2018	074RT001189232	POWERCAT RENTAL		Y	074RT	31.00	DAY	750.00	23,250.00
12/01/2018	12/31/2018			TOPDRIVE RENTAL		Y	074RT	31.00	DAY	2,800.00	86,800.00
Ticket Total:											110,050.00
Well Total :											214,776.00
Lease Total :											214,776.00
SUBTOTAL:											214,776.00
Taxes For											
CITY OF ODESSA										1.2500%	\$2,684.71
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$1,610.83
STATE OF TEXAS										6.2500%	\$13,423.49
TOTAL AMOUNT DUE:											232,495.03

EXHIBIT "B" - Page 37 of 97



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA
Telephone 281-259-8887
Fax

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
P. O. BOX 1748
BRANDON, MS 39043
USA

Page 1 of 1
Invoice number NDUS-P001854
Date 2/22/2019
Customer account 942411
Due date 03/24/2019

Project ID	Customer Reference / AFE Number	Customer PO Number
NDUS-000907		282522

Service order	Name / Description			Job number
NDUS402349	14405 Performance 28 - Catwalk Remote Cable			00000
Area	Rig number	Well number	Lease / OSCG	Offshore
074	#28 PERFORMANCE DRLG CO	FURQUERON #1HD		No

Item / Cat	Description	Quantity	Unit	From	To	Price	Amount
3607	Service Call - Nabors SLA -	1.00		12/9/2018	12/9/2018	0.00	0.00
C-E15039	CABLE,CONTROL,50M,RADIO CONTROL UNIT,CAT -	1.00				2,635.17	2,635.17

Tax authority name	Tax amount
TEXAS, STATE OF	164.70
MIDLAND, COUNTY OF	0.00
MIDLAND, CITY OF	0.00
ODESSA, CITY OF	32.94
ECTOR COUNTY HOSPITAL DISTRICT	19.76

Currency	Sales subtotal amount	Net amount	Sales tax	Total
USD	2,635.17	2,635.17	217.40	2,852.57

*** Two Thousand Eight Hundred Fifty Two and 57/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317



Canrig Drilling Technology Ltd.
 14703 FM 1488
 MAGNOLIA, TX 77354
 USA
 Telephone 281-259-8887
 Fax

Pro forma invoice

Bill to:

PERFORMANCE DRILLING CO LLC
 P. O. BOX 1748
 BRANDON, MS 39043
 USA

Page 1 of 1
 Invoice number
 Date 5/15/2019
 Customer account 942411
 Due date 06/14/2019

Project ID	Customer Reference / AFE Number	Customer PO Number
NDUS-000907		282697

Service order	Name / Description			Job number
NDUS409672	33031 - PERFORMANCE 28 CW/TD RENTAL APRIL			00000
Area	Rig number	Well number	Lease / OSCG	Offshore
074	#28 PERFORMANCE DRLG CO	KUDU #B 2H		No

Item / Cat	Description	Quantity	Unit	From	To	Price	Amount
3504	PC3000 Operating Rate - OPERATING DATES 4/1/19 - 4/30/19	30.00		4/1/2019	4/30/2019	750.00	22,500.00
3706	1250AC 500-ton Operating Rate - OPERATING DATES 4/1/19 - 4/30/19	30.00		4/1/2019	4/30/2019	2,800.00	84,000.00

Tax authority name	Tax amount
--------------------	------------

Currency	Sales subtotal amount	Net amount	Sales tax	Total
USD	106,500.00	106,500.00	8,786.25	115,286.25

*** One Hundred Fifteen Thousand Two Hundred Eighty Six and 25/100 USD

Remit to: Wells Fargo Bank, N.A.
 Acct: 4128815776
 ABA: 121000248
 Swift: WFBUS6S
 Canrig Drilling Technology Ltd
 420 Montgomery Street
 San Francisco, CA 94104
 Lockbox Address:
 PO Box 206317
 Dallas, TX 75320-6317



Billing Field Ticket

Generated On: 5/14/2019

Work Order: 33031

Job Information			
Customer	PERFORMANCE DRILLING CO LLC	Customer Number	942411
Rig Name	#28 PERFORMANCE DRLG CO	AFE	
Contractor		PO 282697	<i>Chy. Leland</i>
Operator	IMPETRO OPERATING	Other	
Well Name	KUDU #B 2H		
State/Province	Texas	Project	NDUS-000907
County	WINKLER	Job	00000
Country	United States of America		

Work Descriptions	
Work Order #	Work Order Summary
33031	

Operational Details					
Work Order #	Code	Description	To	From	Actual Duration

Technician/Crew			
Start Time	End Time	Resource	Nickname

Services								
WO #	Service ID	Name	Start Date	End Date	QTY	Unit	Rate	Total
33031	R-CW-0002	PC3000 Operating Rate	4/1/2019	4/30/2019	30.00	Day	\$750.00	\$22,500.00
33031	R-TD-0007	1250AC 500-ton Operating Rate	4/1/2019	4/30/2019	30.00	Day	\$2,800.00	\$84,000.00

Parts							
WO #	Product ID	Name		QTY	Unit	Rate	Total

Subtotal: \$106,500.00



Billing Field Ticket


Generated On: 5/14/2019

Work Order: 33031

CUSTOMER STAMP HERE (IF APPLICABLE)

Customer Representative




Name: _____

Service Representative



Name: _____

Fees do not include any local, state, federal, foreign, or international sales, use, excise, value-added, goods and services, rental, import, export, stamp, or other similar taxes, duties, charges, or fees (and/or any related fines, penalties, interest, or similar charges) (collectively, "Taxes") and Customer agrees to pay such Taxes as may be applicable to the price, delivery, or use of any Work furnished by hereunder.

CANRIG INVOICE

**Please Remit To :**

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10674
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$102,806.12

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : KUDU A #2H
WELL : PERFORM 28
PO# 282698

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
01/01/2019	01/09/2019	01/31/2019	074RT001189473	POWERCAT RENTAL		Y	074RT	9.00	DAY	750.00	6,750.00
01/27/2019	01/31/2019			POWERCAT RENTAL		Y	074RT	5.00	DAY	750.00	3,750.00
01/10/2019	01/26/2019			POWERCAT STANDBY RATE		Y	074RT	17.00	DAY	563.00	9,571.00
01/01/2019	01/09/2019			TOPDRIVE RENTAL		Y	074RT	9.00	DAY	2,800.00	25,200.00
01/27/2019	01/31/2019			TOPDRIVE RENTAL		Y	074RT	5.00	DAY	2,800.00	14,000.00
01/10/2019	01/26/2019			TOPDRIVE STANDBY		Y	074RT	17.00	DAY	2,100.00	35,700.00
Ticket Total:											94,971.00
Well Total :											94,971.00
Lease Total :											94,971.00
SUBTOTAL:											94,971.00
Taxes For											
CITY OF ODESSA										1.2500%	\$1,187.15
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$712.29
STATE OF TEXAS										6.2500%	\$5,935.68
TOTAL AMOUNT DUE:											102,806.12



CANRIG INVOICE

Please Remit To :

Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas TX 75320-6317

Page : 1
Invoice No : C074-10680
Invoice Date : 05/21/2019
Customer Number : 942411
Payment Terms : Net30
AMOUNT DUE : \$107,600.50

Customer :

PERFORMANCE DRILLING CO LLC
PO BOX 1748
BRANDON MS 39043

COUNTY : Winkler
STATE : Texas
LEASE : KUDU A #2H
WELL : PERFORM 28
PO# 282700

For billing questions, please call 281-259-8887

TERMS: Invoice payable Net 30 days from Invoice date. Past due Invoices subject to finance charges at maximum rate from due date.

From Date	To Date	Ticket Date	Ticket #	Description	PO Line#	Tax	Equipment	Quantity	UOM	Unit Amount	Net Amount
02/01/2019	02/28/2019	02/28/2019	074RT001189531	POWERCAT RENTAL		Y	074RT	28.00	DAY	750.00	21,000.00
02/01/2019	02/28/2019			TOPDRIVE RENTAL		Y	074RT	28.00	DAY	2,800.00	78,400.00
Ticket Total:											99,400.00
Well Total :											99,400.00
Lease Total :											99,400.00
SUBTOTAL:											99,400.00
Taxes For											
CITY OF ODESSA										1.2500%	\$1,242.50
ECTOR CO HOSPITAL DISTRICT										0.7500%	\$745.50
STATE OF TEXAS										6.2500%	\$6,212.50
TOTAL AMOUNT DUE:											107,600.50

EXHIBIT "B" - Page 43 of 97



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA
Telephone 281-259-8887
Fax

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
P. O. BOX 1748
BRANDON, MS 39043
USA

Page 1 of 2
Invoice number NDUS-P002777
Date 5/15/2019
Customer account 942411
Due date 06/14/2019

Project ID	Customer Reference / AFE Number	Customer PO Number
NDUS-000907		282696

Service order		Name / Description		Job number
NDUS409670		30206 PERFORMANCE CW/TD RENTAL TICKET MARCH		00000
Area	Rig number	Well number	Lease / OSCG	Offshore
074	#28 PERFORMANCE DRLG CO	KUDU A #2H		No

Item / Cat	Description	Quantity	Unit	From	To	Price	Amount
3502	PC3000 Catwalk Stand-by Rate - Standby dates 3/20/19 - 3/23/19	4.00		3/20/2019	3/23/2019	563.00	2,252.00
3504	PC3000 Operating Rate - Operating Dates 3/1/19 - 3/19/19 3/24/19 - 3/31/19	27.00		3/1/2019	3/31/2019	750.00	20,250.00
3706	1250AC 500-ton Operating Rate - Operating Dates 3/1/19 - 3/19/19 3/24/19 - 3/31/19	27.00		3/1/2019	3/31/2019	2,800.00	75,600.00
3708	1250AC 500-ton Top Drive Stand-by Rate - STANDBY DATES 3/20/19 - 3/23/19	4.00		3/20/2019	3/23/2019	2,100.00	8,400.00

Tax authority name	Tax amount
TEXAS, STATE OF	6,656.38
WINKLER, COUNTY OF	532.51
KERMIT, CITY OF	1,065.02
WINKLER COUNTY HEALTH SERVICES	532.51

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

Currency	Sales subtotal amount	Net amount	Sales tax	Total
USD	106,502.00	106,502.00	8,786.42	115,288.42
*** One Hundred Fifteen Thousand Two Hundred Eighty Eight and 42/100				USD

Remit to: Wells Fargo Bank, N.A.
 Acct: 4128815776
 ABA: 121000248
 Swift: WFBUS6S
 Canrig Drilling Technology Ltd
 420 Montgomery Street
 San Francisco, CA 94104
 Lockbox Address:
 PO Box 206317
 Dallas, TX 75320-6317



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA
Telephone 281-259-8887
Fax

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
P. O. BOX 1748
BRANDON, MS 39043
USA

Page 1 of 1
Invoice number NDUS-P002778
Date 5/15/2019
Customer account 942411
Due date 06/14/2019

Project ID	Customer Reference / AFE Number	Customer PO Number
NDUS-000907		282697

Service order	Name / Description			Job number
NDUS409672	33031 - PERFORMANCE 28 CW/TD RENTAL APRIL			00000
Area	Rig number	Well number	Lease / OSCG	Offshore
074	#28 PERFORMANCE DRLG CO	KUDU #B 2H		No

Item / Cat	Description	Quantity	Unit	From	To	Price	Amount
3504	PC3000 Operating Rate - OPERATING DATES 4/1/19 - 4/30/19	30.00		4/1/2019	4/30/2019	750.00	22,500.00
3706	1250AC 500-ton Operating Rate - OPERATING DATES 4/1/19 - 4/30/19	30.00		4/1/2019	4/30/2019	2,800.00	84,000.00

Tax authority name	Tax amount
TEXAS, STATE OF	6,656.25
WINKLER, COUNTY OF	532.50
KERMIT, CITY OF	1,065.00
WINKLER COUNTY HEALTH SERVICES	532.50

Currency	Sales subtotal amount	Net amount	Sales tax	Total
USD	106,500.00	106,500.00	8,786.25	115,286.25

*** One Hundred Fifteen Thousand Two Hundred Eighty Six and 25/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887
Fax

Pro forma invoice

Bill to:

PERFORMANCE DRILLING CO LLC
P. O. BOX 1748
BRANDON, MS 39043
USA

Page 1 of 1
Invoice number Proforma-Ashley29391
Date 7/10/2019
Customer account 942411
Due date 08/09/2019

Project ID	Customer Reference / AFE Number	Customer PO Number
NDUS-000907	Contract Q-00003356	

Service order	Name / Description	Job number
NDUS415465	34689 PERFORMANCE 28 CW/TD RENTAL TICKET MAY 2019	00000

Area	Rig number	Well number	Lease / OSCG	Offshore
074	#28 PERFORMANCE DRLG CO	KUDU #B 2H		No

Item / Cat	Description	Quantity	Unit	From	To	Price	Amount
3503	PC3000 Catwalk Transit Rate - TRANSIT DATES 5/18/19 - 5/20/19	3.00		5/18/2019	5/20/2019	413.00	1,239.00
3504	PC3000 Operating Rate - OPERATING DATES 5/1/19 - 5/17/19	17.00		5/1/2019	5/17/2019	750.00	12,750.00
3706	1250AC 500-ton Operating Rate - OPERATING DATES 5/1/19 - 5/17/19	17.00		5/1/2019	5/17/2019	2,800.00	47,600.00
3709	1250AC 500-ton Top Drive Transit Rate -	3.00		5/18/2019	5/20/2019	2,100.00	6,300.00
3747	System Refurbishment - SYSTEM REBURBISHMENT	1.00		5/18/2019	5/18/2019	8,000.00	8,000.00
3750	Dual Ball Valve Repair Kit - DUAL BALL VALVE REPAIR KIT	1.00		5/18/2019	5/18/2019	3,800.00	3,800.00

<u>Tax authority name</u>	<u>Tax amount</u>
----------------------------------	--------------------------

Currency	Sales subtotal amount	Net amount	Sales tax	Total
USD	79,689.00	79,689.00	6,574.36	86,263.36

*** Eighty Six Thousand Two Hundred Sixty Three and 36/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBIUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

EXHIBIT "B" - Page 47 of 97



Canrig Drilling Technology Ltd.
 515 West Greens Road
 Houston, TX 77067
 USA
 Telephone: 713-849-5900
 Fax: 713-849-0075
 Giro
 Tax exempt number
 Taxpayer ID: 73-0329270

PERFORMANCE DRILLING CO LLC
 P O Box 1748
 Brandon, MS 39043
 USA

Invoice

Number: 226291
 Date: 4/12/2018
 Page: 1 of 1
 Sales order: 215687
 Customer account.....: 300693
 Customer reference
 Purchase order: 144350
 Customer contact.....: Brian Southall
 Salesperson.....: 200036
 Invoice account.....: 300693

Ship to: 2741 Faudree Rd
 Apartment 9108
 Odessa, TX 79765
 USA

Shipping method: MF

Item	Description	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
0633	Seal,6.500"Shaftx7.500"ODx0.500"W,CRWH1	1.00	EA	47.78	9.00		43.48
4044	O-Ring,N70-272,9.484"IDx0.13 9"Dia	1.00	EA	5.70	28.00		4.10
0592	O-Ring,N90-265,7.734"IDx0.13 9"Dia	1.00	EA	4.97	28.00		3.58
Misc	Freight						52.70
	Tax authority name						Tax amount
Tax	HOUSTON METROPOLITAN TRANSIT AUTHORITY						1.04
Tax	HOUSTON, CITY OF						1.04
Tax	TEXAS, STATE OF						6.49

Subtotal	Add'l discount	Misc. Charges	Sales tax	Total
51.16	0.00	52.70	8.57	112.43 USD
One Hundred Twelve and 43/100 US Dollar				

Payment terms 5/12/2018

Remit To: Wells Fargo Bank, N.A.
 Acct: 4128815776
 ABA: 121000248
 Swift: WFBUS6S
 Canrig Drilling Technology Ltd
 420 Montgomery Street
 San Francisco, CA 94104
 Lockbox Address:
 PO Box 206317
 Dallas, TX 75320-6317

Nabors Drilling Technologies USA,

Page: 1 of 1
3/28/2018
01:15:47 pm

Picking list

Sales Order 215687

Project ID
Activation date: 3/28/2018 01:15:45 pm
End date/time
Mode of delivery: MF
Customer Reference
Directions To SiteFAUDREE RANCH APARTMENTS
2741 Faudree Rd
Apartment 9108
Odessa, TX 79765
USA

Picking route 062519



Item number	Warehouse	Location	Order qty	UOM	Pick qty	Picked	COO	Manufacturer	Net weight (kg)	HS Code
4044	GWDC	01010201	1.00	EA	1.00	1			0.009	4016.93.5010
			O-Ring,N70-272,9.484"IDx0.139"Dia							
0592	GWDC	01060601	1.00	EA	1.00	1			0.009	4016.93.5010
			O-Ring,N90-265,7.734"IDx0.139"Dia							
0633	GWDC	19100030	1.00	EA	1.00	1			0.259	8483.90.8080
			Seal,6.500"Shaftx7.500"ODx0.500"W,CRWH1							

Overnight
shipment1 Box
3+818
2 Ltr



Canrig Drilling Technology Ltd.
 515 West Greens Road
 Houston, TX 77067
 USA
 Telephone.....: 713-849-5900
 Fax.....: 713-849-0075
 Giro.....:
 Tax exempt number.....:

Account number: 300693
 FAUDREE RANCH APARTMENTS
 2741 Faudree Rd
 Apartment 9108
 Odessa, TX 79765
 USA

Bill to:
 PERFORMANCE DRILLING CO LLC
 P O Box 1748
 Brandon, MS 39043
 USA

Order confirmation

Number.....: 215687-1
 Date.....: 3/28/2018
 Page.....: 1 of 1
 Sales order.....: 215687
 Customer PO#.....: 144350
 INCO Term.....: CPT
 Named Place.....: Houston
 Customer reference.....:
 Our ref.: Carias Carlos M
 Payment: Net 30 Days

Item	Description	Requested ship date	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
1	0633 Seal,6.500"Shaftx7.500"ODx0.500"W,C RWH1	3/28/2018	1.00	EA	47.78	9.00		43.48
2	4044 O-Ring,N70-272,9.4 84"IDx0.139"Dia	3/28/2018	1.00	EA	5.70	28.00		4.10
3	0592 O-Ring,N90-265,7.7 34"IDx0.139"Dia	3/28/2018	1.00	EA	4.97	28.00		3.58

Subtotal	Add'l discount	Misc. Charges	Sales tax	Round-off	Total
51.16	0.00	0.00	4.22	0.00	55.38 USD

Thank you for this opportunity to quote

Certified True & Correct

Carias Carlos M

EXHIBIT "B" - Page 50 of 97



Canrig Drilling Technology Ltd.

515 West Greens Road

Houston, TX 77067

USA

Telephone 713-849-5900

Fax 713-849-0075

Giro

Tax exempt number ..

Order account

300693

PERFORMANCE DRILLING CO LLC

Delivery

PERFORMANCE DRILLING CO LLC

Big Spring, TX 79720

USA

Quotation

Number..... 156862-1
 Date..... 3/24/2018
 Page..... 1 of 1
 Sales order
 Requisition.....
 Delivery terms
 Your ref..... Jeff Shoemaker
 Our ref..... Hennig Megan
 FSA Reference Id.....
 Quotation deadline .. 4/8/2018
 Payment Net 30 Days
 Shipping method

Status

Item	Description	Requested ship date	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
1 0633	Seal,6.500"Shaftx7.500" ODx0.500"W,CRWH1	3/26/2018	1.00	EA	47.78	9.00		43.48
2 4044	O-Ring,N70-272,9.484"Dx0.139"Dia	3/26/2018	1.00	EA	5.70	28.00		4.10
3 0592	O-Ring,N90-265,7.734"Dx0.139"Dia	3/26/2018	1.00	EA	4.97	28.00		3.58

P.O. 144350

Subtotal	Add'l discount	Misc. Charges	Sales tax	Total
51.16	0.00	0.00	4.22	55.38 USD

Prices do not include Sales Taxes

Thank you for this opportunity to quote

Hennig Megan

Certified True & Correct

EXHIBIT "B" - Page 51 of 97



Canrig Drilling Technology Ltd.
 515 West Greens Road
 Houston, TX 77067
 USA
 Telephone: 713-849-5900
 Fax: 713-849-0075
 Giro:
 Tax exempt number:
 Taxpayer ID: 73-0329270

PERFORMANCE DRILLING CO LLC
 P O Box 1748
 Brandon, MS 39043
 USA

Invoice

Number: 227360
 Date: 7/24/2018
 Page: 1 of 1
 Sales order: 216396
 Customer account.....: 300693
 Customer reference: Jeff Shumaker
 Purchase order: 144645
 Customer contact.....: Brian Southall
 Salesperson.....: 200036
 Invoice account.....: 300693

Ship to: 4805 BRIARWOOD AVE
 APARTMENT J 107
 Midland, TX 79707
 USA

Shipping method: MF

Item	Description	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
721254	Motor,Hydraulic,0.67 cu in/Rev,Cooler,Oil/Air	1.00	EA	509.51	9.00		463.65
Misc	Freight						17.80
	Tax authority name						Tax amount
Tax	HOUSTON METROPOLITAN TRANSIT AUTHORITY						4.82
Tax	HOUSTON, CITY OF						4.82
Tax	TEXAS, STATE OF						30.09

Subtotal	Add'l discount	Misc. Charges	Sales tax	Total
463.65	0.00	17.80	39.73	521.18 USD
Five Hundred Twenty One and 18/100 US Dollar				

Payment terms 8/23/2018

Remit To: Wells Fargo Bank, N.A.
 Acct: 4128815776
 ABA: 121000248
 Swift: WFBIUS6S
 Canrig Drilling Technology Ltd
 420 Montgomery Street
 San Francisco, CA 94104
 Lockbox Address:
 PO Box 206317
 Dallas, TX 75320-6317

CANRIG

Canrig Drilling Technology Ltd.

515 West Greens Road

Houston, TX 77067

USA

Telephone.....: 713-849-5900

Fax.....: 713-849-0075

Giro.....:

Tax exempt number.....:

Ship to:

PERFORMANCE DRILLING CO LLC

4805 BRIARWOOD AVE

APARTMENT J 107

Midland, TX 79707

USA

Contact:

Bill to:

PERFORMANCE DRILLING CO LLC

P O Box 1748

Brandon, MS 39043

USA

Packing slip

Number.....: 134358

Ship date.....: 7/13/2018

Page.....: 1 of 1

Sales order.....: 216396

Requisition.....: 144645

Your ref.....: Jeff Shumaker

Our ref.....: 200036

Mode of delivery.....: Motor Freight

INCO Term.....: CPT

Named Place.....: Houston

Freighted by.....: Shipper

Directions To Site:

Item number	Description	Ordered Unit	Delivered	Remaining quantity
721254	Motor,Hydraulic,0.67 cu in/Rev,Cooler,Oil/Air Manufacturer: Country of Origin:	1.00 EA	1.00	
Net weight (kg)	Gross weight (kg)	Cartons		
2.458	2.46	0.00		

Nabors Drilling Technologies USA,Page: 1 of 1
7/13/2018
02:09:37 pm**Picking list**

Sales Order 216396

Project ID:
Activation date: 7/13/2018 02:09:36 pm
End date/time:
Mode of delivery: MF
Customer Reference: Jeff Shumaker
Directions To SitePERFORMANCE DRILLING CO LLC
4805 BRIARWOOD AVE APARTMENT J 107
Midland, TX 79707
USA

Picking route 064474



<u>Item number</u>	<u>Warehouse</u>	<u>Location</u>	<u>Order qty</u>	<u>UOM</u>	<u>Pick qty</u>	<u>Picked</u>	<u>COO</u>	<u>Manufacturer</u>	<u>Net weight (kg)</u>	<u>HS Code</u>
721254	GWDC	20301010	1.00	EA	1.00	<u>1</u>			2.458	8412.29.8015



Motor,Hydraulic,0.67 cu in/Rev,Cooler,Oil/Air



1 Pot
8+818
7 up



Canrig Drilling Technology Ltd.
 515 West Greens Road
 Houston, TX 77067
 USA
 Telephone.....: 713-849-5900
 Fax.....: 713-849-0075
 Giro.....:
 Tax exempt number.....:

Account number: 300693
 PERFORMANCE DRILLING CO LLC
 4805 BRIARWOOD AVE
 APARTMENT J 107
 Midland, TX 79707
 USA

Bill to:
 PERFORMANCE DRILLING CO LLC
 P O Box 1748
 Brandon, MS 39043
 USA

Order confirmation

Number.....: 216396-1
 Date.....: 7/13/2018
 Page.....: 1 of 1
 Sales order.....: 216396
 Customer PO#.....: 144645
 INCO Term.....: CPT
 Named Place.....: Houston
 Customer reference.....: Jeff Shumaker
 Our ref.: Carias Carlos M
 Payment: Net 30 Days

Item	Description	Requested ship date	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
1 721254	Motor,Hydraulic,0.6 7 cu in/Rev,Cooler,Oil/Ai r	7/13/2018	1.00	EA	509.51	9.00		463.65

Subtotal	Add'l discount	Misc. Charges	Sales tax	Round-off	Total
463.65	0.00	0.00	38.26	0.00	501.91 USD

Thank you for this opportunity to quote

Certified True & Correct

Carias Carlos M

EXHIBIT "B" - Page 55 of 97

Carias, Carlos

From: Jeffrey Shumaker <jshumaker@perfdri11.com>
Sent: Friday, July 13, 2018 1:48 PM
To: Carias, Carlos
Subject: [EXT]RE: Performance Qte. 157885, \$463.65
Attachments: image001.png

Follow Up Flag: Flag for follow up
Flag Status: Flagged

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PO 144645
ADDRESS
4805 BRIARWOOD AVE APARTMENT J 107
MIDLAND TX 79707

From: Carias, Carlos [Carlos.Carias@canrig.com]
Sent: Thursday, July 12, 2018 4:36 PM
To: Jeffrey Shumaker
Subject: Performance Qte. 157885, \$463.65

Jeff,

Attached is the quote for the motor you need. I will know by the morning if your account is current or not.

Thanks,

Carlos Carias
Inside Sales Rep.
Canrig Drilling Technology LTD.
14703 FM 1488
Magnolia, TX, 77354
Direct 281.259.3213 | Mobile 832.472.7683 | RIGLINE 24/7: 1.866.433.4345
carlos.carias@canrig.com<mailto:carlos.carias@canrig.com> | www.canrig.com<http://www.canrig.com/> |
part.sales@canrig.com<mailto:part.sales@canrig.com>
[cid:image001.png@01D419FE.79B0BB40]

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Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887

Fax

Page 1 of 1

Number NDUS-S000037

Date August 29, 2018

Sales order 216488

Customer account 942411

Due date September 28, 2018

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Ship to:

Oilfield Industrial Supply
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, TX 79764
USA

Sales order	Customer Ref	Customer Req	Item	Description	Quantity	Unit	Unit price	Amount
216488	Terry	144689						
			1090122	Pump,Hydraulic,PC,2.0cid/ rev,SAE B Mount,c/w SAE A	1.00	EA	2,737.26	2,737.26
			1090123	Pump,Hydraulic,Vane,0.8ci d/rev,SAE A Mount	1.00	EA	782.91	782.91
			16268	VALVE,DIR.3F,P BLKED,A&B -TANK	1.00	EA	158.66	158.66

Freight Other Freight 33.96

<u>Tax authority name</u>	<u>Tax amount</u>
TEXAS, STATE OF	232.05
MONTGOMERY COUNTY EMERGENCY SERVICES DISTRICT 10	29.30
ODESSA, CITY OF	9.79
ECTOR COUNTY HOSPITAL DISTRICT	5.87

Currency	Sales subtotal amount	Charges	Net amount	Sales tax	Invoice amount
USD	3,678.83	33.96	3,712.79	277.01	3,989.80

*** Three Thousand Nine Hundred Eighty Nine and 80/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBIUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

EXHIBIT "B" - Page 57 of 97

Nabors Drilling Technologies USA, Inc.
 515 West Greens Rd
 Houston, TX 77067
 USA



Telephone
 Fax
 Giro
 Tax registration number 73-0329270

Ship to:
 Oilfield Industrial Supply
 3816 Kermit Hwy
 Attn: Performance Drilling
 ODESSA, 79764
 USA

Bill to:
 PERFORMANCE DRILLING CO LLC
 3816 Kermit Hwy
 Attn: Performance Drilling
 ODESSA, 79764
 USA

Packing slip

Page 1 of 1
 Number 000485
 Version 000485.1
 Date 8/8/2018
 Sales order 216488
 Requisition 144689
 Your ref. Terry
 Our ref.
 Mode of delivery MOTOR FREIGHT
 Terms of delivery (ALL MODES) CARRIAGE PAID TO
 Freight by Carrier
 Customer account 942411

Item number	Description	Ordered Unit	Delivered	Remaining quantity
1090123	Pump,Hydraulic,Vane,0.8cid/rev,S AE A Mount	1.00 EA	1.00	0.00

Receipt:


Terry Morace 8/8/18

*Hot
Shot*

Picking list

Oilfield Industrial Supply
 3816 Kermit Hwy
 Attn: Performance Drilling
 ODESSA, 79764
 USA

Reference	Sales order	
Number	216488	
Activation date	8/8/2018 8:45 PM	
End date/time	8/8/2018 8:46 PM	
Mode of delivery	MF	Picking route 00542
Delivery terms	CPT	
Handling status	Completed	

Item number	Handling status	Description	Order quantity	Order unit	Delivery date	Quantity	Picked
1090123	Completed	Pump,Hydraulic,Vane,0.8 cid/rev,SAEAMount	1.00	EA	10/16/2018	1.00	

Receipt _____



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887

Fax

Page 1 of 1

Number NDUS-S000055

Date August 30, 2018

Sales order 300001

Customer account 942411

Due date September 29, 2018

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Ship to:

Performance
Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Sales order	Customer Ref	Customer Req	Item	Description	Quantity	Unit	Unit price	Amount
300001	Terry Morace	144696						
			5317	Hose,Hyd,100R2-AT,#12x75-ft,FJICxFJIC	2.00	EA	499.14	998.29
			4382	Hose,Hyd,100R2-AT,#16x75-ft,FJICxFJIC	1.00	EA	692.66	692.66
			720623	Hose,Hyd,100R13,#32x75-ft,FLGxFLG,C62(O-Ring)	1.00	EA	4,014.13	4,014.13

Truck Truck Freight 857.56

Tax authority name	Tax amount
TEXAS, STATE OF	356.56
HOUSTON METROPOLITAN TRANSIT AUTHORITY	57.05
HOUSTON, CITY OF	57.05

Currency	Sales subtotal amount	Charges	Net amount	Sales tax	Invoice amount
USD	5,705.08	857.56	6,562.64	470.66	7,033.30

*** Seven Thousand Thirty Three and 30/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

EXHIBIT "B" - Page 60 of 97



Canrig Drilling Technology Ltd.
515 West Greens Road
HOUSTON, TX 77067
USA

Telephone
281.874.0035
Fax

Account number 942411

Ship to:

Oilfield Industrial Supply
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Bill to:

Customer Contact

Phone

Sales Order Confirmation

Sales order 300001
Page 1 of 1
Number 300001-1
Date Printed 8/8/2018
Customer PO 144696
Mode of delivery MF
INCO Terms CPT
Named place Houston

Your ref. Terry Morace
Our ref.
Payment terms 30 NET
Sales Contact
Phone

Line num	Item	Description	Requested ship date	Quantity	Unit	Unit price	Discount	Discount percent	Amount
1	5317	Hose,Hyd,100R2-AT,#12x75-ft,FJICxFJIC	9/25/2018	2.00	EA	548.51	0.00	9.00 %	998.29
2	4382	Hose,Hyd,100R2-AT,#16x75-ft,FJICxFJIC	9/17/2018	1.00	EA	761.17	0.00	9.00 %	692.66
3	720623	Hose,Hyd,100R13,#32x75-ft,FLGxFLG,C62(O-Ring)	9/10/2018	1.00	EA	4,411.13	0.00	9.00 %	4,014.13
4	5051982	Tarp,ServiceLoop,75'x30",1200Den,PVC Coated,c/wStraps/B	9/11/2018	1.00	EA	1,470.89	0.00	9.00 %	1,338.51

Currency	Subtotal	Add'l discount	Misc. charges	Net amount	Sales tax	Round-off	Total
USD	7,043.59	0.00	0.00	7,043.59	510.66	0.00	7,554.25

Thank you for this opportunity to serve you

Certified true and correct

Carias, Carlos

From: Terry Morace <tmorace@perfdri11.com>
Sent: Tuesday, July 31, 2018 2:57 PM
To: Carias, Carlos
Subject: [EXT]RE: Performance Qte. 158042, \$7,043.59
Attachments: image001.png

Follow Up Flag: Flag for follow up
Flag Status: Flagged

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I WOULD LIKE TO GET ALL OF THIS ON QUOTE MR CARLOS P.O#144696 _____

From: Carias, Carlos [Carlos.Carias@canrig.com]
Sent: Tuesday, July 31, 2018 8:31 AM
To: Terry Morace
Subject: RE: Performance Qte. 158042, \$7,043.59

Attached is the quote with the hose sock.

Thanks,

Carlos Carias
Inside Sales Rep.
Canrig Drilling Technology LTD.
14703 FM 1488
Magnolia, TX, 77354
Direct 281.259.3213 | Mobile 832.472.7683 | RIGLINE 24/7: 1.866.433.4345
carlos.carias@canrig.com<mailto:carlos.carias@canrig.com> | www.canrig.com<http://www.canrig.com/> |
part.sales@canrig.com<mailto:part.sales@canrig.com>
[cid:image001.png@01D428A8.C1803A50]

From: Carias, Carlos
Sent: Monday, July 30, 2018 4:15 PM
To: tmorace@perfdri11.com
Subject: Performance Qte. 158042, \$5,705.08

Attached is the quote for the hoses. I have lines 1 and 3 in stock. I will have to order line 2.

Please provide a PO and ship to address if you decide to proceed.

Thanks,

Carlos Carias

Inside Sales Rep.

Canrig Drilling Technology LTD.

14703 FM 1488

Magnolia, TX, 77354

Direct 281.259.3213 | Mobile 832.472.7683 | RIGLINE 24/7: 1.866.433.4345

carlos.carias@canrig.com<mailto:carlos.carias@canrig.com> | www.canrig.com<http://www.canrig.com/> |

part.sales@canrig.com<mailto:part.sales@canrig.com>

[cid:image001.png@01D428A8.C1803A50]

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Canrig Drilling Technology Ltd.

515 West Greens Road

Houston, TX 77067

USA

Telephone.....: 713-849-5900

Fax.....: 713-849-0075

Giro.....:

Tax exempt number..:

Order account

300693

PERFORMANCE DRILLING CO LLC

Delivery

PERFORMANCE DRILLING CO LLC

Big Spring, TX 79720

USA

Quotation

Number.....: 158042-2

Date: 7/31/2018

Page: 1 of 1

Sales order

Requisition

Delivery terms.....: CPT

Your ref.....: Terry

Our ref.: Carias Carlos M

FSA Reference Id

Quotation deadline ..: 8/14/2018

Payment: Net 30 Days

Shipping method.....: MF

Status

Item	Description	Requested ship date	Quantity	Unit	Unit price	Disc. %	Discount amount	Amount
1 5317	Hose,Hyd,100R2-AT,#1 2x75-ft,FJICxFJIC	7/30/2018	2.00	EA	548.51	9.00		998.29
2 4382	Hose,Hyd,100R2-AT,#1 6x75-ft,FJICxFJIC	9/17/2018	1.00	EA	761.17	9.00		692.66
3 720623	Hose,Hyd,100R13,#32x 75-ft,FLGxFLG,C62(O-R ing)	7/30/2018	1.00	EA	4,411.13	9.00		4,014.13
4 5051982	Tarp,Service Loop,75' x 30",1200 Den,PVC Coated,c/w Straps/Buckles/Gromme ts	9/3/2018	1.00	EA	1,470.89	9.00		1,338.51
Subtotal		Add'l discount	Misc. Charges	Sales tax		Total		
7,043.59		0.00	0.00	581.10		7,624.69 USD		

Prices do not include Sales Taxes

Thank you for this opportunity to quote

Certified True & Correct

Carias Carlos M

EXHIBIT "B" - Page 64 of 97



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887

Fax

Page 1 of 1

Number NDUS-S000079

Date September 11, 2018

Sales order 300150

Customer account 942411

Due date October 11, 2018

Invoice

Bill to:

PERFORMANCE DRILLING CO LLC
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Ship to:

Performance
Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Sales order	Customer Ref	Customer Req	Item	Description	Quantity	Unit	Unit price	Amount
300150	Terry Morace	144769						
			0633	Seal,6.500"Shaftx7.500"O Dx0.500"W,CRWH1	4.00	EA	43.80	175.19
			820067	Shield,Mud,Gearbox,HXI/T 100	1.00	EA	52.35	52.35
			1100097	Shim,Retainer,Bearing,Up per,Quill,0.010"Thk	3.00	EA	52.86	158.58
			1100098	Shim,Retainer,Bearing,Up per,Quill,0.005"Thk	3.00	EA	62.12	186.36
			1100099	Shim,Retainer,Bearing,Up per,Quill,0.002"Thk	3.00	EA	57.38	172.15
			340167	O-Ring,N70- 378,10.475"IDx0.210"Dia	1.00	EA	9.11	9.11

Freight Other Freight 215.21

<u>Tax authority name</u>	<u>Tax amount</u>
TEXAS, STATE OF	60.56
HOUSTON METROPOLITAN TRANSIT AUTHORITY	9.68
HOUSTON, CITY OF	9.68

Currency	Sales subtotal amount	Charges	Net amount	Sales tax	Invoice amount
USD	753.74	215.21	968.95	79.92	1,048.87

*** One Thousand Forty Eight and 87/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBIUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

EXHIBIT "B" - Page 65 of 97

Canrig Drilling Technology Ltd.
515 West Greens Rd
Houston, TX 77067
USA



Telephone

Fax

Giro

Tax registration number 73-0329270

Ship to:

Performance
Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Bill to:

PERFORMANCE DRILLING CO LLC
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA



Packing slip


Page	1 of 1
Number	000586
Version	000586.1
Date	9/5/2018
Sales order	300150
Requisition	144769
Your ref.	Terry Morace
Our ref.	100285112
Mode of delivery	MOTOR FREIGHT
Terms of delivery	(ALL MODES) EX WORKS
Freighted by	Carrier
Customer account	942411

Item number	Description	Ordered Unit	Delivered	Remaining quantity
0633	Seal,6.500"Shaftx7.500"ODx0.500" W,CRWH1	4.00 EA	4.00	0.00
820067	Shield,Mud,Gearbox,HXI/T100	1.00 EA	1.00	0.00
1100097	Shim,Retainer,Bearing,Upper,Quill, 0.010"Thk	3.00 EA	3.00	0.00
1100098	Shim,Retainer,Bearing,Upper,Quill, 0.005"Thk	3.00 EA	3.00	0.00
1100099	Shim,Retainer,Bearing,Upper,Quill, 0.002"Thk	3.00 EA	3.00	0.00
340167	O-Ring,N70- 378,10.475"IDx0.210"Dia	1.00 EA	1.00	0.00

Receipt: _____

Work

Warehouse	Magnolia	Transaction type	Sales
Site	USA	Load ID	000231
Lines blocked	0	Work creation number	000001401
Work ID		Combined work ID	00004504
Order number	300150		
Target license plate ID			
Shipment ID	000321		

Line	Work type	Work type Custom work type	Item number	Item number bar code	Location ID	Work qty
1	Pick		0633		H-Crane H-16000808	4 EA
2	Pick		820067		H-Crane 01060101	1 EA
3	Pick		1100097		H-CRANE	3 EA
4	Pick		1100098		H-CRANE	3 EA
5	Pick		1100099		H-CRANE	3 EA
6	Pick		340167		H-01030201	1 EA
7	Print					15
8	Put				PACK-01	15

Status Open



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone
281-259-8887
Fax

Quotation

Account number: 942411

Ship to:

Performance

Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Bill to:

Oilfield Industrial Supply
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Contact:

Phone:

Quote number 200212-1
Page 1 of 1
Valid Until 10/3/2018
Date printed 9/3/2018
Requisition
Mode of delivery MF
INCO terms EXW
Named place Magnolia

Your ref. Terry Morace
Our ref. CARLOS CARIAS
Payment terms 30 NET
Sales contact CARLOS CARIAS
Phone

Overnight

Line num	Item	Description	Requested ship date	Quantity	Unit	Unit price	Discount	Discount percent	Amount
1	0633	Seal, 6.500" Shaft x 7.500" OD x 0.500" W, CRWH1	9/3/2018	4.00	EA	48.13	0.00	9.00 %	175.19
2	820067	Shield, Mud, Gearbox, HXI/T1 00	9/3/2018	1.00	EA	57.53	0.00	9.00 %	52.35
3	1100097	Shim, Retainer, Bearing, Upper, Quill, 0.010" Thk	9/3/2018	3.00	EA	60.76	0.00	13.00 %	158.58
4	1100098	Shim, Retainer, Bearing, Upper, Quill, 0.005" Thk	9/3/2018	3.00	EA	79.64	0.00	22.00 %	186.36
5	1100099	Shim, Retainer, Bearing, Upper, Quill, 0.002" Thk	9/3/2018	3.00	EA	73.57	0.00	22.00 %	172.15
6	340167	O-Ring, N70-378, 10.475" ID x 0.210" Dia	9/3/2018	1.00	EA	12.65	0.00	28.00 %	9.11

Currency	Subtotal	Add'l discount	Misc. charges	Net amount	Sales tax	Total
USD	753.74	0.00	0.00	753.74		808.38

Prices do not include Sales Taxes

Thank you for this opportunity to quote.

CARLOS CARIAS

Certified true and correct

EXHIBIT "B" - Page 68 of 97



Shipment Receipt

Address Information

Ship to:

Performance Drilling
Oilfield Industrial Supply
3816 Kermit Hwy

ODESSA, TX
79764
US
7138495900

Ship from:

Daniel Negrete
11330 Brittmoore Park Drive
Bldg D
HOUSTON, TX
77041
US
2817213943

Shipment Information:

Tracking no.: 773133015285
Ship date: 09/04/2018
Estimated shipping charges: 215.21 USD

Package Information

Pricing option: FedEx Standard Rate
Service type: Priority Overnight
Package type: Your Packaging
Number of packages: 1
Total weight: 8 LBS
Declared Value: 0.00 USD
Special Services:
Pickup/Drop-off: Use an already scheduled pickup at my location

Billing Information:

Bill transportation to: TESCO-793
Your reference: s/o 200212-1
P.O. no.: 070 530
Invoice no.:
Department no.:

Thank you for shipping online with FedEx ShipManager at fedex.com.

Please Note

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1000, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits. Consult the applicable FedEx Service Guide for details.

The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: OILFIELD INDUSTRIAL SUPPLY
3816 KERMIT HIGHWAY
ODESSA, TX 79764

Ship Date: 9/14/2018

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID	Net Unit Price	Net Extended Price
1	3.00	3.00	0.00	EA	FILTER ELEMENT, 10 MICRON H10212	T 107.81	\$323.43
2			0.00		ECTOR	T (0.00)	\$2.43
3			0.00		MONTGOMERY CNTY	T (0.00)	\$3.23
4			0.00		TX	T (0.00)	\$20.21
SUB TOTAL							\$349.30
INVOICE TOTAL IN US FUNDS							\$349.30

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV300920
Invoice Date: 9/17/2018
Sales Order No: M074-07184
Rig No. 28
S/N No. WH SPARE
P.O. No: 282384
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: PU-PICK-UP / WILL CALL
Freight Terms: Freight: Billed
FOB: EX WORKS MAGNOLIA
Ordered Date: 8/27/2018
Sales Contact:



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: TO RIG LOCATION
ODESSA, TX

Ship Date: 9/14/2018

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV300944
Invoice Date: 9/17/2018
Sales Order No: M074-07368
Rig No. 28
S/N No. WHSE
P.O. No: 282407GB
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: PICK-UP / WILL CALL
Freight Terms: Freight: Billed
FOB: FOB ODESSA
Ordered Date: 9/14/2018
Sales Contact:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID	Net Unit Price	Net Extended Price
PERFORM 28							
ETA STOCK IN ODESSA							
1	6.00	6.00	0.00	EA	FILTER ELEMENT, 25 MICRON, SPIN-ON H11-1003-01A	T 42.50	\$255.00
2			0.00		ECTOR	T (0.00)	\$1.91
3			0.00		MONTGOMERY CNTY	T (0.00)	\$2.55
4			0.00		TX	T (0.00)	\$15.94
SUB TOTAL							\$275.40
INVOICE TOTAL IN US FUNDS							\$275.40



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: TO RIG LOCATION
ODESSA, TX

Ship Date: 10/2/2018

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV301886
Invoice Date: 10/3/2018
Sales Order No: M074-07040
Rig No. 28
S/N No. WHSE
P.O. No: PERFORMANCE
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: HOT SHOT
Freight Terms: Freight: Billed
FOB: FOB MAGNOLIA
Ordered Date: 8/18/2018
Sales Contact:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID	Net Unit Price	Net Extended Price
				28	ETA STOCK IN MAGNOLIA		
					RIG DIRECTIONS: From 115 and 302 in Kermit, West on 302 3 miles to county road 101, Turn north 10.3 miles on CR 101, Turn left (West) on Impetro road, Go 2.3 miles, turn North on Rig road .4 miles then south .2 miles to location.		
1	1.00	1.00	0.00		HOT SHOT CRANE PICKED UP 9/5/2018 HOT SHOT	T 1,471.45	\$1,471.45
2			0.00		ECTOR	T (0.00)	\$11.04
3			0.00		MONTGOMERY CNTY	T (0.00)	\$14.71
4			0.00		TX	T (0.00)	\$91.97
SUB TOTAL							\$1,589.17
INVOICE TOTAL IN US FUNDS							\$1,589.17



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: OILFIELD INDUSTRIAL SUPPLY
3816 KERMIT HIGHWAY
ODESSA, TX 79764

Ship Date: 11/16/2018

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV304571
Invoice Date: 11/19/2018
Sales Order No: M074-08116
Rig No. 28
S/N No. SPARES
P.O. No: 282489
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: FEDEX GROUND
Freight Terms: Freight: Billed
FOB: FOB WTX
Ordered Date: 11/16/2018
Sales Contact:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID	Net Unit Price	Net Extended Price
<i>RIG 28</i>							
<i>SHOW IN STOCK IN WTX</i>							
1	1.00	1.00	0.00	EA	BATTERY CHARGER, RADIO CONTROL UNIT E14993	T 929.58	\$929.58
2			0.00		ECTOR	T (0.00)	\$6.97
3			0.00		MONTGOMERY CNTY	T (0.00)	\$9.30
4			0.00		TX	T (0.00)	\$58.10
SUB TOTAL							\$1,003.95
INVOICE TOTAL IN US FUNDS							\$1,003.95



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887

Fax

Page 1 of 1

Number NDUS-S000155

Date November 30, 2018

Sales order 300001

Customer account 942411

Due date December 30, 2018

Invoice

Bill to:

PERFORMANCE
P. O. BOX 1748
BRANDON, MS 39043
USA

Ship to:

Performance
Attn; Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Sales order	Customer Ref	Customer Req	Item	Description	Quantity	Unit	Unit price	Amount
300001	Terry Morace	144696	5051982	Tarp,ServiceLoop,75'x30", 1200Den,PVCCoated,c/wS traps/B	1.00	EA	1,338.51	1,338.51

Tax authority name

Tax amount

TEXAS, STATE OF 83.66

HOUSTON METROPOLITAN TRANSIT AUTHORITY 13.39

HOUSTON, CITY OF 13.39

Currency	Sales subtotal amount	Charges	Net amount	Sales tax	Invoice amount
USD	1,338.51	0.00	1,338.51	110.44	1,448.95

*** One Thousand Four Hundred Forty Eight and 95/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBIUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

Canrig Drilling Technology Ltd.
 515 West Greens Rd
 Houston, TX 77067
 USA



Telephone

Fax

Giro

Tax registration number 73-0329270

Ship to:

Performance
 Attn: Performance Drilling
 3816 Kermit Hwy
 ODESSA, TEXAS 79764
 USA

Bill to:

PERFORMANCE DRILLING CO LLC
 3816 Kermit Hwy
 Attn: Performance Drilling
 ODESSA, 79764
 USA

Packing slip




Page	1 of 1
Number	000993
Version	000993.1
Date	10/25/2018
Sales order	300001
Requisition	144696
Your ref.	Terry Morace
Our ref.	
Mode of delivery	MOTOR FREIGHT
Terms of delivery	(ALL MODES) CARRIAGE PAID TO
Freighted by	Carrier
Customer account	942411




Item number	Description	Ordered Unit	Delivered	Remaining quantity
5051982	Tarp,ServiceLoop,75'x30",1200Den ,PVCCoated,c/wStraps/B	1.00 EA	1.00	0.00

Receipt : _____

TARPS

Work

Warehouse Magnolia Transaction type Sales
 Site USA Load ID 000845
 Lines blocked 0 Work creation number 000004615
 Combined work ID
 Work ID  00008228
 Order number 300001 
 Target license plate ID
 Shipment ID 001555 

Line	Work type	Work type Custom work type	Item number	Item number bar code	Location ID	Work qty
1	Pick		5051982		H-DOCK	1 EA
2	Print		5051982			1 EA
3	Put		5051982		PACK-01	1 EA

Status Open

1 Bot

19 x 15 x 16

6/65



Shipment Receipt

Address Information

Ship to:

Performance Drilling Co
LLC

Performance Drilling Co
LLC

3816 Kermit Hwy

ODESSA, TX

79764

US

7138495900

Ship from:

Arnold/Tommy

Canrig-Magnolia

14703 FM 1488 Rd

MAGNOLIA, TX

77354

US

8327525365

Shipment Information:

Tracking no.: 773565041429

Ship date: 10/25/2018

Estimated shipping charges: 35.19 USD

Package Information

Pricing option: FedEx Standard Rate

Service type: FedEx Home Delivery

Package type: Your Packaging

Number of packages: 1

Total weight: 61 LBS

Declared Value: 0.00 USD

Special Services: Residential Delivery

Pickup/Drop-off: Use an already scheduled pickup at my location

Billing Information:

Bill transportation to: TESCO-793

Your reference: s/o 300001

P.O. no.: 070 530

Invoice no.:

Department no.:

Thank you for shipping online with FedEx ShipManager at fedex.com.

Please Note

FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1000, e.g., jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits; Consult the applicable FedEx Service Guide for details.

The estimated shipping charge may be different than the actual charges for your shipment. Differences may occur based on actual weight, dimensions, and other factors. Consult the applicable [FedEx Service Guide](#) or the FedEx Rate Sheets for details on how shipping charges are calculated.



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone 281-259-8887

Fax

Page 1 of 1

Number NDUS-S000166

Date November 30, 2018

Sales order 300423

Customer account 942411

Due date December 30, 2018

Invoice

Bill to:

PERFORMANCE
P. O. BOX 1748
BRANDON, MS 39043
USA

Ship to:

Performance
Attn; Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Sales order	Customer Ref	Customer Req	Item	Description	Quantity	Unit	Unit price	Amount
300423	Jeffrey Shumaker	144862	5090	Amplifier,Current,24VDC,4 -20mA,100mAOutput	1.00	EA	994.61	994.61

<u>Tax authority name</u>	<u>Tax amount</u>
TEXAS, STATE OF	62.16
HOUSTON METROPOLITAN TRANSIT AUTHORITY	9.95
HOUSTON, CITY OF	9.95

Currency	Sales subtotal amount	Charges	Net amount	Sales tax	Invoice amount
USD	994.61	0.00	994.61	82.06	1,076.67

*** One Thousand Seventy Six and 67/100 USD

Remit to: Wells Fargo Bank, N.A.
Acct: 4128815776
ABA: 121000248
Swift: WFBIUS6S
Canrig Drilling Technology Ltd
420 Montgomery Street
San Francisco, CA 94104
Lockbox Address:
PO Box 206317
Dallas, TX 75320-6317

Canrig Drilling Technology Ltd.
515 West Greens Rd
Houston, TX 77067
USA



Telephone
Fax
Giro
Tax registration number 73-0329270

Ship to:
Performance
Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Bill to:
PERFORMANCE DRILLING CO LLC
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA




Packing slip




Page	1 of 1
Number	000891
Version	000891.1
Date	10/15/2018
Sales order	300423
Requisition	144862
Your ref.	Jeffrey Shumaker
Our ref.	100285112
Mode of delivery	MOTOR FREIGHT
Terms of delivery	(ALL MODES) EX WORKS
Freighted by	Carrier
Customer account	942411

Item number	Description	Ordered Unit	Delivered	Remaining quantity
5090	Amplifier,Current,24VDC,4-20mA,100mAOutput	1.00 EA	1.00	0.00

Receipt: _____

Work

Warehouse Magnolia Transaction type Sales
 Site USA Load ID 000792
 Lines blocked 0 Work creation number 000003743
 Combined work ID
 Work ID  00007333
 Order number 300423 
 Target license plate ID
 Shipment ID 001492 

Line	Work type	Work type Custom work type	Item number	Item number bar code	Location ID	Work qty
1	Pick		5090		H-CRANE	1 EA
2	Print		5090			1 EA
3	Put		5090		PACK-01	1 EA

Status Open



Canrig Drilling Technology Ltd.
14703 FM 1488
MAGNOLIA, TX 77354
USA

Telephone
281-259-8887
Fax

Quotation

Account number: 942411

Ship to:

Performance
Attn: Performance Drilling
3816 Kermit Hwy
ODESSA, TEXAS 79764
USA

Bill to:

Oilfield Industrial Supply
3816 Kermit Hwy
Attn: Performance Drilling
ODESSA, 79764
USA

Contact:

Phone:

Quote number 200610-1
Page 1 of 1
Valid Until 11/13/2018
Date printed 10/14/2018
Requisition
Mode of delivery MF
INCO terms EXW
Named place Magnolia

Your ref. Jeffrey Shumaker
Our ref. CARLOS CARIAS
Payment terms 30 NET
Sales contact CARLOS CARIAS
Phone

Line num	Item	Description	Requested ship date	Quantity	Unit	Unit price	Discount	Discount percent	Amount
1	5090	Amplifier,Current,24VDC,4-20mA,100mAOutput	10/15/2018	1.00	EA	1,092.98	0.00	9.00 %	994.61

Currency	Subtotal	Add'l discount	Misc. charges	Net amount	Sales tax	Total
USD	994.61	0.00	0.00	994.61		1,076.67

Freddy Medrano

Prices do not include Sales Taxes

Thank you for this opportunity to quote

CARLOS CARIAS

Certified true and correct

CRANE CARTAGE LLC - MAIN OFFICE
1500 RANKIN RD, SUITE 400
HOUSTON TX 77073
(888) 904-2726
(281) 821-2210 Fax

STRAIGHT BILL of LADING

Carrier : MEDRANO FREDDY JESU
Date : 10/14/18
Trailer # :
Pro # : 2856672

SHIPPER		CONSIGNEE		INSTRUCTIONS		
CWW-NABORS 16685 AIR CENTER HOUSTON TX 77073 Ref #		PERFORMANCE DRILLING R DIRECTIONS WITH EMAIL MIDLAND TX 79712 (318) 237-5454 JEFF Ref #		PICKUP / P/N 5090 PO# 144862 \$ 1,296.60 <i>Cost</i>		
Description	Class	Pieces	Weight	Pallets	Additional Info	
		1	3			
		1	3			
Totals		1	3			
Additional Ref #'s		Prepaid XXX Collect ___ 3rd Party ___		Carrier Access Fee CRANE CARTAGE LLC - MAIN OFFICE Pro # 2856672 In Vol. Invoice to Ensure Proper Payment		
Please fax copy of BOL to CRANE CARTAGE LLC MAIN OFF / (281) 821-2210 at 48 HOURS prior to pickup & delivery						

**** NOTE TO CARRIER **** ANY questions or problems with this call CRANE CARTAGE LLC - MAIN OFFICE @ (888) 904-2726
NOTE : Liability limitation for loss or damage in this shipment may be applicable pursuant to an agreement between the parties or under applicable law including, but not limited to, See 49 USC Section 101 et seq.

<p>Subject to Section 1, conditions of this shipment are to be delivered to the consignee without recourse to the consignor; the consignor shall sign the following statement:</p> <p>The carrier shall not take delivery of this shipment without payment of freight and all other lawful charges.</p> <p>Shipper : CWW-NABORS Signature _____ Date / /</p>		<p>Carrier acknowledged receipt of packages and required papers. Carrier cert. no emergency response information was made available and/or carrier has the DOT emergency response guidebook or equivalent information in the vehicle. Property described above is received in good order, except as noted.</p> <p>Carrier/Driver Signature <i>Freddy Medrano</i> License Plate _____</p> <p>Pieces 1 Date / / MC # _____</p>	
<p>This is to certify that the above named materials are classified, marked and labeled and are in proper condition for transportation according to the applicable regulations of the DOT.</p> <p>Shipper : CWW-NABORS Name of Signor: Signature _____ Date / / Time In : _____ Time Out: _____</p>		<p>Received subject to individually determined rates or contracts that have been agreed upon in writing between the carrier and shipper, if applicable, otherwise the rates, classifications and rules that have been established by the carrier and are available to the shipper, on request, and to all applicable state and federal regulations.</p> <p>Consignee : PERFORMANCE DRILLING R Name of Signor: Signature _____ Date / / Time In : _____ Time Out: _____</p>	



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: CANRIG C/O PERFORMANCE
2500 W OREGON ST
ODESSA, TX 79760

Ship Date: 2/7/2019

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV308520
Invoice Date: 2/12/2019
Sales Order No: M074-08664
Rig No. 28
S/N No. 828
P.O. No: 282586
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: PICK-UP / WILL CALL
Freight Terms: Freight: Billed
FOB: EX WORKS
Ordered Date: 2/6/2019
Sales Contact:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID		Net Unit Price	Net Extended Price
PERF. 28								
IN STOCK WTX-WHSE								
1	6.00	6.00	0.00	EA	FILTER ELEMENT, 25 MICRON, SPIN-ON H11-1003-01A	T	42.50	\$255.00
2			0.00		ECTOR	T	(0.00)	\$1.91
3			0.00		MONTGOMERY CNTY	T	(0.00)	\$2.55
4			0.00		TX	T	(0.00)	\$15.94
SUB TOTAL								\$275.40
INVOICE TOTAL IN US FUNDS								\$275.40



D&B - 00-790-7603
Tax ID - 73-0329270

Invoice

Sold To: PERFORMANCE DRILLING CO LLC
P.O. BOX 1748

BRANDON, MS 39043
USA

Ship To: TO RIG LOCATION
ODESSA, TX

Ship Date: 3/23/2019

EMAIL

Interest charged on overdue accounts at 1.5% per month:

Remit To: Canrig Drilling Technology Ltd.
P.O. Box 206317
Dallas, Texas 75320-6317
Office (281) 259-3100 Fax (281) 259-3194

Invoice No: INV312628
Invoice Date: 4/15/2019
Sales Order No: M150-176928
Rig No. 28
S/N No. 1059
P.O. No: 282632
Customer No: 942411
Payment Terms: NET 30 DAYS
Shipped VIA: HOT SHOT
Freight Terms: Freight: Billed
FOB: EX WORKS MAGNOLIA
Ordered Date: 3/23/2019
Sales Contact:

Line No.	Quantity Ordered	Quantity Shipped	Quantity B/O	Units	Description Part ID or Work Order ID	Net Unit Price	Net Extended Price
LINE 1 STOCK IN MAG/ODESSA							
LINE 2 STOCK ONLY IN MAG							
1	1.00	1.00	0.00	EA	PLUG, 1 PIN, 777, RED, SIZE 24 E13476	877.78	\$877.78
2	1.00	1.00	0.00	EA	RECEPTACLE, 1 SOCKET, SIZE 24, RED E13471	764.24	\$764.24
3			0.00		ECTOR	(0.00)	\$12.31
4			0.00		MONTGOMERY CNTY	(0.00)	\$16.42
5			0.00		TX	(0.00)	\$102.63
SUB TOTAL							\$1,773.38
INVOICE TOTAL IN US FUNDS							\$1,773.38

CAUSE NO. _____

NABORS DRILLING TECHNOLOGIES
USA, INC. d/b/a CANRIG DRILLING
TECHNOLOGY, LTD.

Plaintiff,

v.

PERFORMANCE DRILLING
COMPANY LLC,

Defendant.

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IN THE DISTRICT COURT OF

WINKLER COUNTY, TEXAS

109TH JUDICIAL DISTRICT

AFFIDAVIT OF RIGOBERTO GONZALEZ

Before me, the undersigned notary in and for the State of Texas, did appear Rigoberto Gonzalez, a person known to me, and upon his oath did state as follows:

1. My name is Rigoberto Gonzalez. I am over the age of eighteen years and have personal knowledge of the facts stated herein, and such facts are true and correct. I have never been convicted of a crime involving moral turpitude. I am the Operations Manager for Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology, Ltd ("Canrig"), the Plaintiff in this lawsuit. As the Operations Manager, I have personal knowledge of Canrig's transactions with Performance Drilling Company, LLC ("Performance Drilling") and the amounts owed to Canrig and related matters discussed below, and I am duly authorized on behalf of Canrig to make this affidavit.

2. Attached hereto as Exhibit C-1 is a true and correct copy of Canrig's Statement of Account with Performance Drilling.

3. Exhibit A to Canrig's Original Petition and Verified Application for Injunctive Relief ("Petition") is a true and correct copy of the June 22, 2018 Rental Agreement executed by Canrig and Performance Drilling.

4. Exhibit B to Canrig's Petition includes true and correct copies of Canrig's invoices for equipment and services provided to Performance Drilling.

5. Exhibits A, B and C-1 are business records of Canrig. These records are maintained by Canrig in Canrig's regular course of business and it is the regular course of business of Canrig for an employee or authorized representative of Canrig with knowledge of the act, event, condition or other matter recorded to make such records or to transmit information to be included in such records and the records are made at or near the time or reasonably soon after the act, event, condition or other matter recorded. The records are the originals or exact duplicates of the originals.

6. Attached hereto as Exhibit C-2 is an excerpt from Lilis Energy, Inc.'s account payable ledger for Performance Drilling, which was provided to Canrig by Lilis Energy, Inc. on July 18, 2019.

7. Exhibit C-3 is a copy of a letter addressed to Performance Drilling from SAJAC O&G Investors, LLC ("SAJAC") dated June 24, 2019, which was provided to Canrig by Performance Drilling. The SAJAC letter states that it is a Notice of Default to Performance Drilling, with respect to the loan described therein in the amount of \$25,955,000.00.

8. On June 25, 2019, the Canrig rentals manager traveled to Jackson, Mississippi to meet with representatives of Performance Drilling and discuss the ongoing effort to collect the outstanding account receivables due to Canrig. Upon arrival, the only employee remaining was Jeff Goodwin, CFO of Performance. During this meeting, Mr. Goodwin explained to the Canrig

rentals manager that the company (Performance Drilling) was in an insolvent situation due to not having any rigs in operation and its significant debt owed to SAJAC (“over \$30M” as explained by Mr. Goodwin). Prior to the meeting, Canrig’s invoices had been presented directly to Mr. Goodwin, however, during the meeting Mr. Goodwin stated there was most likely a very slim chance of collectability of any or all amounts due to Canrig. This is despite the fact that Performance Drilling received payments of over \$2 million from Lilis Energy, Inc., according to information provided to Canrig from Lilis. Since the June 25 in-person meeting, several call attempts have been made to Mr. Goodwin but neither Mr. Goodwin nor any other representative of Performance Drilling have responded or otherwise communicated with any representative of Canrig.

9. Canrig provided equipment, labor and services to Performance Drilling as reflected in Canrig’s invoices attached as Exhibit B and Canrig’s Statement of Account attached as Exhibit C-1. The prices charged by Canrig are just and true and in accordance with the Rental Agreement attached as Exhibit A, and are usual, customary and reasonable prices for the equipment, services and labor furnished. Canrig has maintained a systematic record of its transactions with Performance Drilling, which are reflected in Canrig’s Statement of Account. All just and lawful offsets, payments and credits have been applied to the Statement of Account. The Statement of Account remains unpaid. The damages are stated in a liquidated amount in the Statement of Account.

10. Based on information provided to Canrig by Lilis Energy, Inc., Performance Drilling has received payments for drilling operations conducted under Performance Drilling’s contracts with Impetro Operating and Lilis Energy, Inc. of not less than \$2,054,248.98. These payments were made to Performance Drilling for the drilling of wells operated by Impetro

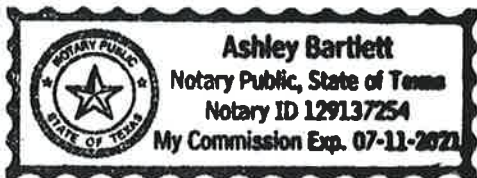
Operating and owned by Lilis Energy, Inc. known as the “Kudu A #2H” and “Kudu B #2H”. The wells were drilled by Performance Drilling with Rig 28, utilizing the Canrig Top Drive, Power Catwalk and related equipment, labor and services. Performance Drilling has refused and failed to pay any of the indebtedness owed to Canrig for its equipment, labor and services totaling 1,185,131.65, exclusive of interest and attorneys’ fees, from the funds Performance Drilling received from Lilis Energy, Inc., or otherwise.

FURTHER, Affiant sayeth not.


Rigoberto Gonzalez

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

SUBSCRIBED AND SWORN TO AND BEFORE ME by Rigoberto Gonzalez, this 7th day of August, 2019.




NOTARY PUBLIC,
State of Texas

Canrig US - Performance Drilling Co LLC AR

Customer Number	Customer Name	Trx Date	Trx Number	Amount Due Remaining	1-30	31-60	61-90	91-120	Over 120	Customer Order	Customer PO #	RIG No	SN
942411	PERFORMANCE DRILLING CO LLC	04/12/2018	226291	112.43	0.00	0.00	0.00	0.00	112.43				
942411	PERFORMANCE DRILLING CO LLC	07/24/2018	227360	521.18	0.00	0.00	0.00	0.00	521.18				
942411	PERFORMANCE DRILLING CO LLC	08/29/2018	NDUS-S000037	3,989.80	0.00	0.00	0.00	0.00	3,989.80				
942411	PERFORMANCE DRILLING CO LLC	08/30/2018	NDUS-S000055	7,033.30	0.00	0.00	0.00	0.00	7,033.30				
942411	PERFORMANCE DRILLING CO LLC	09/11/2018	NDUS-S000079	1,048.87	0.00	0.00	0.00	0.00	1,048.87				
942411	PERFORMANCE DRILLING CO LLC	09/17/2018	C074-10555	10,554.38	0.00	0.00	0.00	0.00	10,554.38				
942411	PERFORMANCE DRILLING CO LLC	09/17/2018	INV300920	349.30	0.00	0.00	0.00	0.00	349.30	M074-07184	282384	28	WH SPARE
942411	PERFORMANCE DRILLING CO LLC	09/17/2018	C074-10557	11,779.77	0.00	0.00	0.00	0.00	11,779.77				
942411	PERFORMANCE DRILLING CO LLC	09/17/2018	C074-10560	24,965.70	0.00	0.00	0.00	0.00	24,965.70				
942411	PERFORMANCE DRILLING CO LLC	09/17/2018	INV300944	275.40	0.00	0.00	0.00	0.00	275.40	M074-07368	282407GB	28	WHSE
942411	PERFORMANCE DRILLING CO LLC	10/03/2018	INV301886	1,589.17	0.00	0.00	0.00	0.00	1,589.17	M074-07040	PERFORMANCE	28	WHSE
942411	PERFORMANCE DRILLING CO LLC	11/19/2018	INV304571	1,003.95	0.00	0.00	0.00	0.00	1,003.95	M074-08116	282489	28	SPARES
942411	PERFORMANCE DRILLING CO LLC	11/30/2018	NDUS-S000155	1,448.95	0.00	0.00	0.00	0.00	1,448.95				
942411	PERFORMANCE DRILLING CO LLC	11/30/2018	NDUS-S000166	1,076.67	0.00	0.00	0.00	0.00	1,076.67				
942411	PERFORMANCE DRILLING CO LLC	01/23/2019	C074-10636	107,607.00	0.00	0.00	0.00	0.00	107,607.00				
942411	PERFORMANCE DRILLING CO LLC	02/12/2019	INV308520	275.40	0.00	0.00	0.00	0.00	275.40	M074-08664	282586	28	828
942411	PERFORMANCE DRILLING CO LLC	02/22/2019	NDUS-P001854	2,852.57	0.00	0.00	0.00	0.00	2,852.57				
942411	PERFORMANCE DRILLING CO LLC	04/15/2019	INV312628	1,773.38	0.00	0.00	0.00	1,773.38	0.00	M150-176928	282632	28	1059
942411	PERFORMANCE DRILLING CO LLC	05/15/2019	NDUS-P002777	115,288.42	0.00	0.00	115,288.42	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/15/2019	NDUS-P002778	115,286.25	0.00	0.00	115,286.25	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10674	102,806.12	0.00	0.00	102,806.12	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10675	232,495.03	0.00	0.00	232,495.03	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10676	83,352.50	0.00	0.00	83,352.50	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10677	115,286.25	0.00	0.00	115,286.25	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10678	48,496.00	0.00	0.00	48,496.00	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	05/21/2019	C074-10680	107,600.50	0.00	0.00	107,600.50	0.00	0.00				
942411	PERFORMANCE DRILLING CO LLC	07/10/2019	NDUS-P003382	86,263.36	86,263.36	0.00	0.00	0.00	0.00				
TOTAL				1,185,131.65	86,263.36	0.00	920,611.07	1,773.38	176,483.84				



From: Christa Garrett <cgarrett@lilisenergy.com>
Date: July 18, 2019 at 5:18:54 PM CDT
To: "<hollyhamm@snowspencelaw.com>" <hollyhamm@snowspencelaw.com>
Subject: Canrig Invoices

Hi Holly,

We spoke on the phone the other day regarding Canrig Drilling Technology's unpaid invoices. Attached is from our AP system showing all invoices that we received from Performance as well as payments made to Performance on the Kudu wells. There is a remaining balance of \$90,100.83; however, that amount is being withheld by us based on prior claims by two of Performance's other subcontractors.

If you require any additional information, please let me know.

Christa Garrett
Vice President Associate General Counsel

Vendors PERDRI thru PERDRI

Paid Date thru 12/31/2099 Plus All Open Items

Eff Date	Inv Date	Pd Date	Invoice#-Description	Amount	Exp Acct-Sub-AFE#	Expense Acct-Sub Description	Exp Amt
PERDRI			PERFORMANCE DRILLING CO. LLC				
01/31/2019	02/04/2019	04/19/2019	28-013119 KUDU A 2H	208,972.05	9501-KUDUA2-2052	842 IDC Drilling Rig-KUDU A #2H	208,972.05
02/28/2019	02/19/2019	04/19/2019	28-021819 KUDU A 2H	273,975.00	9297-KUDUA2-2052	842 IDC Drilling Rig #28-KUDU A #2H	273,975.00
02/28/2019	02/19/2019	04/19/2019	28-021519 KUDU A 2H	316,125.00	9297-KUDUA2-2052	842 IDC Drilling Rig #28-KUDU A #2H	316,125.00
03/31/2019	04/01/2019	05/08/2019	28-033119 KUDU B 2H	191,084.00	9297-KUDUB2-2053	842 IDC Drilling Rig #28-KUDU B #2H	191,084.00
03/31/2019	03/20/2019	05/08/2019	28-031719 KUDU A 2H	262,087.50	9297-KUDUA2-2052	842 IDC Drilling Rig #28-KUDU A #2H	262,087.50
04/30/2019	04/16/2019	06/07/2019	28-041519 KUDU B 2H	312,328.13	9297-KUDUB2-2053	842 IDC Drilling Rig #28-KUDU B #2H	312,328.13
04/30/2019	04/30/2019	06/07/2019	28-043019 KUDU B 2H	271,828.13	9297-KUDUB2-2053	842 IDC Drilling Rig #28-KUDU B #2H	271,828.13
06/30/2019	05/18/2019		28-051619 KUDU B 2H	90,100.83	9297-KUDUB2-2053	842 IDC Drilling Rig #28-KUDU B #2H	90,100.83
06/30/2019	05/18/2019	07/01/2019	28-051619 KUDU B 2H	217,849.17	9297-KUDUB2-2053	842 IDC Drilling Rig #28-KUDU B #2H	217,849.17
PERDRI			PERFORMANCE DRILLING Vendor Total	2,144,349.81			

Total of all the Invoices:

2,144,349.81

Acct#	Description	Total DB	Total CR	Net Amt
9297	842 IDC Drilling Rig #28	1,935,377.76	0.00	1,935,377.76
9501	842 IDC Drilling Rig	208,972.05	0.00	208,972.05
Total:		2,144,349.81	0.00	2,144,349.81

* Invoices paid by credit card are treated for this report to have been paid as of the G/L effective date.

SAJAC O&G INVESTORS LLC

June 24, 2019

Mr. Jeff H. Goodwin, CPA
Treasurer/CFO
Performance Drilling Company, LLC
P. O. Box 1748
Brandon, MS 39043

Dear Mr. Goodwin,

As you are aware Performance Drilling Company, LLC. executed and delivered to U. S. Bank, as Trustee that certain Performance Drilling Company, LLC. 6.00% Senior Debentures, Series 2014 - A Master Note with an authentication of TWENTY FIVE MILLION NINE HUNDRED FIFTY FIVE THOUSAND AND NO/100 Dollars (25,955,000.00) evidencing the loan in that amount, and payable to the holder along with accrued interest. As you are aware the aforementioned note is secured by, among other things, that certain Trust Indenture and Security Agreement dated September 14, 2014, giving a perfected security interest in all then and future acquired assets of Performance Drilling Company, LLC. Sajac O & G Investors, LLC. as successor in interest to U. S. Bank is owner and assignee of said 2014 Master Note.

This letter shall serve as notice that Performance Drilling Company, LLC is in default on the aforementioned note and Performance Drilling Company, LLC. is to collect assets along with the proceeds from the sale of any assets (sold as instructed), claims or judgements and immediately remit said proceeds to Sajac O&G Investors, LLC. The forbearance agreement between Performance Drilling Company, LLC. and Sajac O & G Investors, LLC. remains in full force and effect.

Sincerely;



Sajac O & G Investors, LLC –
Successor in interest to U. S. Bank 2014-A Master Note
Manager

I.
Findings in Support of TRO

1. The Court finds that Canrig has proven its probable right to relief and probable injury and that, unless and until Defendant Performance Drilling is immediately restrained, Canrig will suffer imminent harm and irreparable injury for which it has no adequate remedy at law.

2. Accordingly, the Court finds that it should maintain the status quo and protect Canrig from irreparable injury by entering a temporary restraining order against Performance.

3. Harm is imminent and ongoing because Performance has withheld, concealed, or misappropriated trust funds under Chapter 162 of the Texas Property Code.

4. Canrig has no adequate remedy because Canrig is a beneficiary of the trust funds, and the trust funds are likely Canrig's only meaningful source of recovery under Chapter 162 of the Texas Property Code.

5. Performance is indebted to Canrig in the principal amount of not less than \$1,185,131.65 under the June 22, 2018 Rental Agreement, attached to the Application as Exhibit A, for materials and services Canrig provided to Performance in support of drilling operations Performance performed for Impetro and Lilis in Winkler County, Texas (the "Drilling Operations").

6. Despite Canrig's requests for payment, Performance has refused to pay its indebtedness to Canrig.

7. Between April 19, 2019 and July 1, 2019, Lilis paid Performance not less than \$2,054,248.98 on account of the Drilling Operations (together with any prior payments made by Impetro or Lilis to Defendant, the "Trust Funds").

8. Pursuant to Chapter 162 of the Texas Property Code, Performance is a trustee of the Trust Funds, Canrig is a beneficiary of the Trust Funds, and Performance is required to use the Trust Funds to pay its indebtedness to Canrig and account to Canrig for the Trust Funds.

9. Canrig, in all probability, will prevail on its claims that Performance is in breach of the Rental Agreement and that Canrig is a beneficiary of the Trust Funds.

10. As trustee of the Trust Funds, Performance is obligated to, *inter alia*, account for the Trust Funds and ensure they are properly distributed to beneficiaries of the Trust Funds, including Canrig.

11. To preserve the status quo of Canrig's rights, this Court shall issue a temporary restraining order against Performance, its officers, directors, employees, agents, attorneys, or any other person or entity acting on Defendant's behalf with respect to the Trust Funds (i) prohibiting the payment, use, dissipation, diversion, or disbursement of the Trust Funds until such time as this Court may hear and determine Canrig's application for temporary injunction and (ii) requiring that Performance account to Canrig for any disposition of and use of the Trust Funds prior to the date of this Order.

II.

Temporary Restraining Order

IT IS, THEREFORE, ORDERED that this Temporary Restraining Order shall be immediately binding on Performance Drilling Company LLC and its officers, agents, servants, employees, and attorneys and upon those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (collectively the "Enjoined Parties").

IT IS FURTHER ORDERED that the Enjoined Parties be, and hereby are, restrained and enjoined from paying, using, dissipating, diverting, disbursing, or otherwise disposing of the Trust Funds.

IT IS FURTHER ORDERED that the Enjoined Parties shall, within seven (7) days of receiving actual notice of this Order, provide an accounting to Canrig of the Trust Funds which shall include an identification of (i) all amounts paid to Defendant by Impetro or Lilis, (ii) in what

account such funds are held, and (iii) to whom any such funds have been disbursed, when such disbursements were made, and for what purpose.

IT IS FURTHER ORDERED that unless terminated earlier by this Court, this Temporary Restraining Order shall expire fourteen (14) days from the date of entry of this Order unless, within the time limit set out above, the Court extends the effectiveness of this Order in compliance with applicable law or it is extended by agreement of the parties; and

IT IS FURTHER ORDERED that Performance Drilling shall appear before this Court on August 21st, 2019 at 1:00 p.m. in the courtroom of the 109th Judicial District Court of Winkler County, Texas, then and there to show cause, if there be any, why a temporary injunction should not be issued as requested by Plaintiff.

The Clerk of the Court is hereby directed to issue a show cause notice to Performance Drilling to appear at the temporary injunction hearing. Canrig's counsel is directed to attempt to accomplish service of the Citation, this Order, and the Order to Show Cause issued by the Clerk, by personal delivery, certified mail, return receipt requested, or courier, return receipt requested, by a Sheriff or Constable of the State of Texas, Canrig's counsel, or any other person competent to make oath of the fact of service upon Performance Drilling; and

IT IS FURTHER ORDERED that due to the expedited nature of the relief requested, any discovery related to the matters set for hearing before the Court on Canrig's application for temporary injunction on the above date shall be served or noticed no later than three (3) days following service of this Order and all responses to such discovery or depositions noticed shall be served or completed within ten (10) days of the service of the discovery requests; and

IT IS FURTHER ORDERED that the Clerk of this Court shall forthwith, on the filing by Canrig of the bond hereinafter required, and on approving same according to the law, issue a temporary restraining order and show cause notice in conformity with the law and the terms of this Order.

IT IS FURTHER ORDERED that this Order shall not be effective unless and until Canrig
executes and files with the Clerk a bond, in conformity with the law, in the amount of
ten thousand dollars _____ and no/100 U.S. Dollars (\$ 10,000.00 _____).

SIGNED this 9th day of August 2019.



HONORABLE JUDGE PRESIDING

Reviewed By: Dixie Randolph

CITATION – Personal Service: TRC 99

THE STATE OF TEXAS

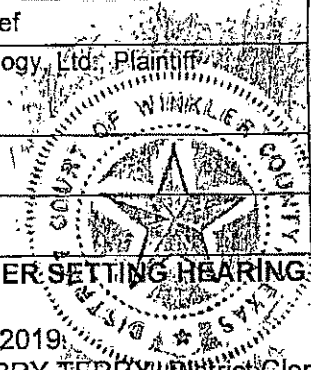
COUNTY OF WINKLER

CAUSE NO. DC19-17645

TO: Performance Drilling Company, LLC, c/o CT Corporation System, its registered agent, 1999 Bryan Street, Ste. 900, Dallas, Texas 75201-3136, Respondent.

Notice to defendant: You have been sued. You may employ an attorney. If you, or your attorney, do not file a written answer with the clerk who issued this citation by 10:00 A.M. on the first Monday following the expiration of twenty days after you were served this citation and petition, a default judgment may be taken against you.

Court:	109th Judicial District Court Kermit, Winkler County, Texas
Cause No.:	DC19-17645
Date of Filing:	August 8, 2019
Document:	Plaintiff's Original Petition and Verified Application for Injunctive Relief
Parties in Suit:	Nabors Drilling Technologies USA, Inc. d/b/a Canrig Drilling Technology, Ltd. Plaintiff Vs. Performance Drilling Company, LLC, Defendant
Clerk:	Sherry Terry, Winkler County District Clerk PO Box 1065, Kermit, Texas 79745
Plaintiffs' Attorney(s):	Kenneth P. Green Snow, Spence, Green, LLP 2929 Allen Parkway, Ste. 2800, Houston, Texas 77019



***PLEASE NOTE ATTACHED TEMPORARY RESTRAINING ORDER AND ORDER SETTING HEARING 8/21/19 AT 1:00 PM IN WINKLER DISTRICT COURT, KERMIT, TEXAS.**

Issued under my hand and seal of this said court on this the 8th day of August, 2019.

SHERRY TERRY, District Clerk
WINKLER County, Texas

BY: Dixie Randolph Deputy

Service Return

Came to hand on the _____ day of _____, 20____, at _____ m., and executed on the _____ day of _____, 20____, at _____ M by delivering to the within named Performance Drilling Company, LLC, c/o CT Corporation System, its registered agent, in person, a true copy of this citation with attached copy of the Plaintiff's Original Petition at 1999 Bryan Street, Ste. 900, Dallas, TX 75201-3136, or at:

- ☐ Not executed. The diligence use in finding defendant being _____
- ☐ Information received as to the whereabouts of defendant being _____

Service Fee: \$ _____	Sheriff/Constable _____ County, Texas
Service ID No. _____	Deputy/Authorized Person _____

VERIFICATION

On this day personally appeared _____ known to me to be the person whose name is subscribed on the foregoing instrument and who has stated: upon penalty of perjury, I attest that the foregoing instrument has been executed by me in this cause pursuant to the Texas Rules of Civil Procedure. I am over the age of eighteen years and I am not a party to or interested in the outcome of this suit, and have been authorized by the Winkler County Courts to serve process.

Subscribed and sworn to before me on this the _____ day of _____, 20____ Notary Public

©TDCA 2009

EXHIBIT "C" - Page 1 of 2

CAUSE NO. DC19-17645

NABORS DRILLING
TECHNOLOGIES USA, INC.
D/B/A CANRIG DRILLING
TECHNOLOGY LTD.
VS.

IN THE 109TH JUDICIAL DISTRICT COURT OF WINKLER COUNTY,
TEXAS

PERFORMANCE DRILLING
COMPANY, LLC

AFFIDAVIT OF SERVICE

BEFORE ME, the undersigned authority, Guy C. Connelly (SERVER), personally appeared on this day and stated under oath as follows:

1. My name is Guy C. Connelly (SERVER). I am over the age of eighteen (18), I am not a party to this case, and have no interest in its outcome. I am in all ways competent to make this affidavit and this affidavit is based on personal knowledge. The facts stated herein are true and correct. My business address is:

2701 W. 15th, Plano, TX 75075
(SERVER'S ADDRESS)

2. ON 8/12/19 (DATE) AT 2:30 (P) M (TIME)
CITATION TEMPORARY RESTRAINING ORDER; PLAINTIFF'S ORIGINAL PETITION AND VERIFIED APPLICATION FOR INJUNCTIVE RELIEF; EXHIBIT A; EXHIBIT B; EXHIBIT C; EXHIBIT C-1; EXHIBIT C-2; EXHIBIT C-3 came to hand for delivery to PERFORMANCE DRILLING COMPANY LLC, C/O CT CORPORATION SYSTEM, REGISTERED AGENT.

3. ON 8/12/19 (DATE) AT 3:30 (P) M (TIME) - The above named documents were delivered to: PERFORMANCE DRILLING COMPANY LLC, C/O CT CORPORATION SYSTEM, REGISTERED AGENT by delivering to

Kim HIGHTOWER P.S.
(NAME AND TITLE), authorized agent for service @

1999 Bryan, Suite 900, Dallas, TX 75201

(ADDRESS), by CORPORATE Service

SIGNATURE

PSC# 2201 EXPIRATION: 9/30/20

Guy C. Connelly

AFFIANT PRINTED NAME

SWORN TO AND SUBSCRIBED before me by Guy C. Connelly appeared on this 12 day of August, 2019 to attest witness my hand and seal of office.

Anna M. Connelly
NOTARY PUBLIC IN AND
FOR THE STATE OF TEXAS



2019.08.401004

EXHIBIT "C" - Page 2 of 2

CAUSE NO. DC19-17645**NABORS DRILLING TECHNOLOGIES
USA, INC. d/b/a CANRIG DRILLING
TECHNOLOGY, LTD.,***Plaintiff,***v.****PERFORMANCE DRILLING
COMPANY LLC***Defendant.*§
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§**IN THE DISTRICT COURT OF****WINKLER COUNTY, TEXAS****109TH JUDICIAL DISTRICT**

**PERFORMANCE DRILLING COMPANY LLC'S MOTION TO
DISSOLVE TEMPORARY RESTRAINING ORDER**

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW, PERFORMANCE DRILLING COMPANY LLC, and files this, its Motion to Dissolve Temporary Restraining Order and for such would respectfully show unto the Court as follows:

I. BACKGROUND

1. On or About August 13, 2019, PERFORMANCE DRILLING COMPANY LLC (collectively, "Defendant" or "Performance"), was served with Plaintiff's Original Petition and Verified Application for Injunctive Relief. The Citation issued in connection therewith was dated August 8, 2019. The Original Petition defines Exhibit "D" to the Original Petition as being the "proposed Form of Temporary Restraining Order" See paragraph 29. Yet, the Exhibit "D" served on the Defendant purports to contain a signature of the Court dated the 9th day of August, 2019. However, given the August 8 Citation Date, the August 9 signature seems out of sequence. Moreover, no writ of injunction was served upon Defendant so it is unclear whether such order is

effective.¹ In the event it is, this Motion to Dissolve pursuant to Texas Rules of Civil Procedure 680 is being filed.

II. GROUND FOR DISSOLUTION

2. The Temporary Restraining Order, if it has been made effective by the posting of the bond and issuance of a writ, is void on its face. Rule 680 of the Texas Rules of Civil Procedure requires that an ex-parte writ of injunction “be endorsed with the date and hour of issuance; . . . shall . . . state why it is irreparable and why the order was granted without notice; . . .” The Texas Supreme Court has held that a temporary restraining order which fails to comply with the requirements of TRCP 680 is void. *In re Office of the Attorney General*, 257 S.W. 3d 695, 697 (Tex. 2008).

3. Exhibit “D” to the Plaintiff’s Original Petition (which purports to bear this Court’s signature) fails to comply with Rule 680. Namely, the order fails to contain the finding mandated by TRCP 680 as to why the order “was granted without notice” and further fails to contain the hour of its issuance. Accordingly, the Temporary Restraining Order is void. Given that such Order is void, such Order should be dissolved.

4. In addition to the technical problem with the order prepared by the Plaintiff, the Plaintiffs’ legal theory is contrary to the established law in the State of Texas. As finding #5 states, the “materials and services Canrig provided to Performance” are claimed to be in support of “drilling operations Performance performed for Impetro and Lilis in Winkler County, Texas (the ‘Drilling Operations’).” Contrary to the claims made by the Plaintiff, Chapter 162 does not apply to drilling operations. In 1986, this issue was directly addressed by the Austin Court of Appeals and it was held that as a matter of law “drilling in oil and gas well is not the construction of an

¹ Defendant obtained a docket sheet from the District Court and it does not reflect a TRO being entered.

improvement on real property within the meaning of Chapter 162” *Holley v. NL Industries*, 718 S.W. 2d 813, 815 (Tex. App.-Austin 1986, writ ref’d n.r.e.).

5. Chapter 162 only protects materialman and contractors performing “under a construction contract for the improvement of specific real property in [Texas]”. Tex. Prop. Code § 162.001(a). Merely providing equipment to be used in connection with undefined drilling oil or gas drilling operations is not “construction”. Instead, Chapter 56 of the Texas Property Code defines the drilling of an oil or gas well as a “mineral activity”. Tex. Prop. Code § 56.001(1). A person who supplies materials or machinery to be used in connection with mineral activities is a “mineral contractor”. Tex. Prop. Code § 56.001(2). Chapter 162 does not apply to mineral activities. Accordingly, the substantive law supporting the Plaintiffs’ claim for a temporary restraining order will not support the issuance of a temporary restraining order or a temporary injunction.

6. In the event that the Court determines that Chapter 162 is capable of applying to oil and gas drilling operations, Plaintiff has still not established that its equipment lease falls within the purview of Chapter 162. On its face, Chapter 162 requires that the Plaintiff establish that it furnished “labor or material” in connection with an improvement on “specific real property” in order for the Plaintiff to qualify as a beneficiary under Chapter 162. Tex. Prop. Code § 162.003(a).

7. The lease between Plaintiff and Performance is unrelated to any “specific” real estate improvement or drilling operations. Canrig simply leased equipment to Performance, which Performance was permitted to use on any projects or no projects. In fact, the Canrig lease is dated June 22, 2018, which is nearly one year before any of the Impetro/Lilis payments, which are at issue. Canrig’s own invoices show that the equipment was used on at least two different projects during the lease term. Simply put, Canrig has offered no evidence that the lease or amounts in

dispute are related to a “specific real property” as required by Chapter 162. Without a direct connection between the lease and the Impetro/Lilis project, Plaintiff cannot show that it is a beneficiary under Chapter 162, if Chapter 162 is deemed to apply. Accordingly, the Temporary Restraining Order should be dissolved.

8. Pleading further, assuming Canrig can establish that Chapter 162 is applicable and that Canrig is a beneficiary of the Trust created by Chapter 162, Canrig is still not entitled to injunctive relief. This precise issue was presented to the Court in *Fisk-Allied v. Manhattan Construction*, 835 F.Supp. 334, 335 (E.D. Tex. 1993). In that case, a request for injunctive relief was presented to the Court and the Court determined that Chapter 162 is not susceptible of supporting injunctive relief. As the Eastern District found, the “Trust” created by Chapter 162 is not a true “Trust.” Because it is not a true Trust, it will not support the issuance of a temporary injunction. Accordingly, the Temporary Restraining Order should be dissolved.

9. Still pleading further, if need be, Plaintiff would show that the scope of the Temporary Restraining Order conflicts in certain respects with the Court’s findings. For instance, the Temporary Restraining Order purports to restrain and enjoin Performance from “paying, using, dissipating, diverting, distributing or otherwise disposing of the Trust Funds which is defined at Paragraph 7 of the Court’s findings as the “not less than \$2,054,248.98 paid by Lilis to Performance between April 19, 2019 and July 1, 2019”. While Performance is restrained from using any of the \$2,054,248.98 allegedly paid by Lilis to Performance, Canrig is only making a claim for \$1,185,131.65. Accordingly, the prohibition on the use the difference between Canrig’s claim amount and the balance of the payments is overly broad and unsupported.

10. Moreover, a portion of the Canrig claim is, on the face of its own pleading, unrelated to the Lilis wells. Canrig’s own pleading establishes that some of its charges were

incurred in connection with work undertaken by Performance for Crown Quest, while other charges are unassociated with any well. Assuming Chapter 162 applies to the payments at issue, Canrig has shown no basis for a “Trust” claim on charges not directly associated with the Lilis project. Accordingly, the Temporary Restraining Order should be dissolved.

11. Moreover, Chapter 162 allows Performance to use the “Trust” funds to pay its “actual expenses” as well as other subcontractors. Restraining Performance from paying its own direct expenses and other subcontractors is overly broad as it creates restrictions on the use of the funds not found within Chapter 162.

12. Still pleading further, Performance would show that the Temporary Restraining Order seeks to do more than to simply “restrain” Performance from “paying, using, dissipating, diverting, distributing or otherwise disposing of the Trust Funds”. The order seeks to impose “mandatory” obligations upon Performance. Notably, the order purports to require Performance to provide “an accounting to Canrig of the Trust Funds which shall include an identification of (i) all amounts paid by Defendant by Impetro or Lilis, (ii) in what account such funds are held, and (iii) to whom any such funds have been distributed, when such distributions were made, and for what purpose”. The mandatory nature of this portion of the Court’s order is improper. Such order does not purport to maintain the “status quo” but seeks to require Performance to create documents for the Plaintiffs’ benefit. Such a requirement shifts the status quo and affords Plaintiff complete relief with respect to any “accounting” issues. A temporary restraining order, particularly one issued on an ex parte basis, should not be a vehicle for affording the Plaintiff the relief which it should seek through the trial on the merits. Moreover, no findings supports the need for requiring Performance to provide an “accounting” on an expedited basis. Accordingly, the Temporary Restraining Order should be dissolved.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Performance Drilling Company LLC respectfully requests that the Temporary Restraining Order which was seemingly signed by this Court on August 9, 2019 be dissolved for the reason that such Order is void, that it is not supported by the law, and that it is overreaching in that it required the Defendant to provide the Plaintiff with an accounting, and that the Defendant be further awarded such other and further relief to which it may show itself justly or equitably entitled.

Respectfully submitted,

/s/ Jeffrey R. Seckel [2019-08-19]

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ATTORNEY FOR DEFENDANT

CERTIFICATE OF SERVICE

I, Jeffrey R. Seckel, certify that on August 19, 2019, my office served the foregoing document, via electronic service, facsimile or certified, return receipt requested US Mail, on:

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CAUSE NO. DC19-17645

**NABORS DRILLING TECHNOLOGIES
USA, INC. d/b/a CANRIG DRILLING
TECHNOLOGY, LTD.,**

Plaintiff,

v.

**PERFORMANCE DRILLING
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IN THE DISTRICT COURT OF

WINKLER COUNTY, TEXAS

109TH JUDICIAL DISTRICT

ORIGINAL ANSWER

TO THE HONORABLE JUDGE OF SAID COURT:

COMES NOW Defendant PERFORMANCE DRILLING COMPANY LLC, a Mississippi limited liability company ("*Defendant*" or "*Performance*"), and files this its Original Answer to Plaintiff's Original Petition and Verified Application for Injunctive Relief brought by Plaintiff NABORS DRILLING TECHNOLOGIES USA, INC. d/b/a CANRIG DRILLING TECHNOLOGY, LTD. ("*Plaintiff*" or "*Canrig*"), a Texas corporation, and would respectfully show as follows:

Defendant generally denies, each and every, all and singular, the material allegations contained in Plaintiff's Original Petition and Verified Application for Injunctive Relief, and demands strict proof thereof.

WHEREFORE, Defendant respectfully requests:

1. That the Court deny the relief requested by Plaintiff;
2. That the Court award Defendant its reasonable and necessary attorneys' fees in defending against the Petition brought by Plaintiff; and,
3. That the Court grant Defendant all such other and further relief to which it may show itself justly entitled.

Respectfully submitted,

/s/ Jeffrey R. Seckel [2019-08-19]

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/s/ Jeffrey R. Seckel [2019-08-19]

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109TH JUDICIAL DISTRICT

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I.
Findings in Support of TRO

1. The Court finds that Canrig has proven its probable right to relief and probable injury and that, unless and until Defendant Performance Drilling is immediately restrained, Canrig will suffer imminent harm and irreparable injury for which it has no adequate remedy at law.

2. Accordingly, the Court finds that it should maintain the status quo and protect Canrig from irreparable injury by entering a temporary restraining order against Performance.

3. Harm is imminent and ongoing because Performance has withheld, concealed, or misappropriated trust funds under Chapter 162 of the Texas Property Code.

4. Canrig has no adequate remedy because Canrig is a beneficiary of the trust funds, and the trust funds are likely Canrig's only meaningful source of recovery under Chapter 162 of the Texas Property Code.

5. Performance is indebted to Canrig in the principal amount of not less than \$1,185,131.65 under the June 22, 2018 Rental Agreement, attached to the Application as Exhibit A, for materials and services Canrig provided to Performance in support of drilling operations Performance performed for Impetro and Lilis in Winkler County, Texas (the "Drilling Operations").

6. Despite Canrig's requests for payment, Performance has refused to pay its indebtedness to Canrig.

7. Between April 19, 2019 and July 1, 2019, Lilis paid Performance not less than \$2,054,248.98 on account of the Drilling Operations (together with any prior payments made by Impetro or Lilis to Defendant, the "Trust Funds").

8. Pursuant to Chapter 162 of the Texas Property Code, Performance is a trustee of the Trust Funds, Canrig is a beneficiary of the Trust Funds, and Performance is required to use the Trust Funds to pay its indebtedness to Canrig and account to Canrig for the Trust Funds.

9. Canrig, in all probability, will prevail on its claims that Performance is in breach of the Rental Agreement and that Canrig is a beneficiary of the Trust Funds.

10. As trustee of the Trust Funds, Performance is obligated to, *inter alia*, account for the Trust Funds and ensure they are properly distributed to beneficiaries of the Trust Funds, including Canrig.

11. To preserve the status quo of Canrig's rights, this Court shall issue a temporary restraining order against Performance, its officers, directors, employees, agents, attorneys, or any other person or entity acting on Defendant's behalf with respect to the Trust Funds (i) prohibiting the payment, use, dissipation, diversion, or disbursement of the Trust Funds until such time as this Court may hear and determine Canrig's application for temporary injunction and (ii) requiring that Performance account to Canrig for any disposition of and use of the Trust Funds prior to the date of this Order.

II. **Temporary Restraining Order**

IT IS, THEREFORE, ORDERED that this Temporary Restraining Order shall be immediately binding on Performance Drilling Company LLC and its officers, agents, servants, employees, and attorneys and upon those persons in active concert or participation with them who receive actual notice of this Order by personal service or otherwise (collectively the "Enjoined Parties").

IT IS FURTHER ORDERED that the Enjoined Parties be, and hereby are, restrained and enjoined from paying, using, dissipating, diverting, disbursing, or otherwise disposing of the Trust Funds.

IT IS FURTHER ORDERED that the Enjoined Parties shall, within seven (7) days of receiving actual notice of this Order, provide an accounting to Canrig of the Trust Funds which shall include an identification of (i) all amounts paid to Defendant by Impetro or Lilis, (ii) in what

account such funds are held, and (iii) to whom any such funds have been disbursed, when such disbursements were made, and for what purpose.

IT IS FURTHER ORDERED that unless terminated earlier by this Court, this Temporary Restraining Order shall expire fourteen (14) days from the date of entry of this Order unless, within the time limit set out above, the Court extends the effectiveness of this Order in compliance with applicable law or it is extended by agreement of the parties; and

IT IS FURTHER ORDERED that Performance Drilling shall appear before this Court on August 21st, 2019 at 1:00 p.m. in the courtroom of the 109th Judicial District Court of Winkler County, Texas, then and there to show cause, if there be any, why a temporary injunction should not be issued as requested by Plaintiff.

The Clerk of the Court is hereby directed to issue a show cause notice to Performance Drilling to appear at the temporary injunction hearing. Canrig's counsel is directed to attempt to accomplish service of the Citation, this Order, and the Order to Show Cause issued by the Clerk, by personal delivery, certified mail, return receipt requested, or courier, return receipt requested, by a Sheriff or Constable of the State of Texas, Canrig's counsel, or any other person competent to make oath of the fact of service upon Performance Drilling; and

IT IS FURTHER ORDERED that due to the expedited nature of the relief requested, any discovery related to the matters set for hearing before the Court on Canrig's application for temporary injunction on the above date shall be served or noticed no later than three (3) days following service of this Order and all responses to such discovery or depositions noticed shall be served or completed within ten (10) days of the service of the discovery requests; and

IT IS FURTHER ORDERED that the Clerk of this Court shall forthwith, on the filing by Canrig of the bond hereinafter required, and on approving same according to the law, issue a temporary restraining order and show cause notice in conformity with the law and the terms of this Order.

IT IS FURTHER ORDERED that this Order shall not be effective unless and until Canrig
executes and files with the Clerk a bond, in conformity with the law, in the amount of
ten thousand dollars _____ and no/100 U.S. Dollars (\$ 10,000.00 _____).

SIGNED this 9th day of August 2019.



HONORABLE JUDGE PRESIDING